

2023

Corporate Responsibility Report

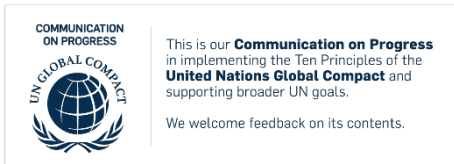
Nykredit

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PRINCIPLES FOR RESPONSIBLE BANKING

This report forms the Nykredit Group's:

Communication on Progress to the UN Global Compact, which we signed in 2008.

Reporting on the UN Principles for Responsible Banking signed by us when introduced in 2019.

Report on corporate responsibility, see section 135b of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

Report on diversity in management, see section 134(1)(8) of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

Report on Nykredit's Data Ethics Policy, see section 135d of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) standards. Nykredit's GRI Index is included in our Sustainability Fact Book.

Contents

Foreword	4
Nykredit – a lender to people and businesses all over Denmark	7
How we shared our success in 2023	9
Business model	10
Nykredit's corporate responsibility	12
Governance	15
Risk management	16
EU taxonomy	19

Development and growth throughout Denmark

Development and growth throughout Denmark	22
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A greener Denmark

A greener Denmark	28
Greener owner-occupied dwellings	34
Greener real estate	39
Greener agriculture	44
Greener businesses	48
Sustainable investments	54

Responsible business practices

A greener Nykredit	66
Responsible business practices	72
Initiatives to combat financial crime	79
Personal data, IT security and data ethics	82
People	86
Diversity and inclusion	91
ESG Overview: Prioritised initiatives and selected key figures	97
Accounting policies	99
The UN's Principles for Responsible Banking	105
Commitments and policies governing our efforts	106
ESG ratings	107
EU Taxonomy disclosures	108

Foreword

Dear reader

Being owned by an association of customers, Forenet Kredit, sets Nykredit apart in the financial sector. Danes must be able to count on Nykredit in good times and bad. And at the heart of our identity as a customer-owned financial institution resides a distinct responsibility to extend our support in response to societal challenges. This applies to the challenges that are self-evident given our core products and business model. And it applies to the challenges that may arise over time and where we can contribute to a positive development.

In this report, we endeavour to articulate and quantify our commitment to fulfil this responsibility in 2023, guided every day by the pledges we made to our stakeholders for the first time in 2016; our pledges to society, our customers, our business partners, our colleagues, our bond investors and our owners.

Corporate responsibility - a strategic priority

We strive every day to honour our pledge to society, which forms an integral part of Nykredit's strategy, Winning the Double 2.0, to ensure that Nykredit operates its business in alignment with society's goals. We operate within the framework of the political ambitions in Denmark, where we have the majority of our activities, and of international goals and principles, such as the UN Sustainable Development Goals, the UN Principles for Responsible Banking and the 10 Principles of the UN Global Compact.

Nykredit's corporate responsibility is embedded in our goals, strategy and conduct, both commercially and organisationally.

We provide financial security in turbulent times

While the global economy has been under considerable pressure, the Danish economy has managed to navigate in a complex and unpredictable reality. Despite challenges, such as high inflation, interest rate increases, new technologies, energy crises, geopolitical tensions between major powers and war in Europe and the Middle East, Nykredit has a strong earnings base and a robust capital position, supported by resourceful owners.

This enables us to serve as an anchor of stability and reliability to our customers and society. We are well placed to continue to offer attractive and secure loans to personal and business customers, including agricultural customers, all over Denmark at all times.

I am proud that we can continue to provide lending in all parts of the country, thanks to our unique alliance with Totalkredit and 41 Danish partner banks. This alliance enables small and medium-sized banks to offer attractive and secure mortgage loans that fully or more than fully match the propositions of the larger banks. This promotes competition and diversity in the Danish banking sector and enables banks all over Denmark to translate their strong local presence and advisory capacity into growth and development in their local communities.

We share our success with customers

Being owned by an association of customers, we are in a unique position to share our success with customers when Nykredit is doing well.

This means that we can integrate our mutual ownership and corporate responsibility into specific business activities targeted at benefitting our customers.

In 2023, Nykredit paid out DKK 4,65 billion in dividends and an additional DKK 1.85 billion in extraordinary dividends for 2022 to shareholders, of which Forenet Kredit received 78.9%. Once again, the Committee of Representatives of Forenet Kredit decided to return a large amount to Nykredit, and because of this contribution, Nykredit was able to distribute about DKK 1.8 billion to customers through our customer benefits programmes in 2023.

Nykredit contributes to the green transition

As a society we share a common task: to make Denmark greener. And as the largest lender in Denmark, we acknowledge our responsibility for driving this change. Our largest carbon footprint as a financial company, 99% in fact, comes from the loans we provide and the investments we make for our customers. By joining forces with our customers, we can take the greatest leap forward. Nykredit was the first Danish financial provider to set emissions targets for the real estate and owner-occupied dwellings included in our goal of delivering a net zero Nykredit by 2050. We were also the first Danish systemically important financial institution (SIFI) to join the Science Based Targets initiative (SBTi), which provides methodologies for and validates corporate climate targets.

In 2023, Nykredit announced a new Fossil Fuels Policy, which takes a stricter approach to fossil fuel companies. For many years, Nykredit has been reluctant to finance fossil fuel production activities. Therefore, our lending to the sector is very limited. The new policy implies that we

do not grant new loans to fossil fuel production companies. On the investment side, we have divested more than 60 oil, gas and coal companies and excluded 483 companies from our investment universe.

However, this is not enough to drive change. Today we have supplemented our policies and climate targets with green value propositions to all our different types of types of customer, thereby making green choices easier and more affordable. For example, Nykredit Bank offers attractive green car loans, and Totalkredit customers prepared to replace their oil- or gas-fired boiler with a heat pump receive a cash contribution of DKK 10,000. Also, we offer a series of green products targeted at our business and agricultural customers.

Therefore, we are also pleased that our business customers have once again rated us among the top performers when asked to rate banks' sustainability efforts. Nykredit consequently takes a top ranking in the EPSI Sustainability Index 2023. The index shows Danish business banking customers' satisfaction with banks' sustainability efforts. At the same time, we are proud that Nykredit continues to be among the best-rated financial companies in the Nordic region.

Basic Sustainability Training 2.0 for all

In 2022, we introduced basic sustainability training for all members of staff and management at Nykredit. In 2023, we took a step further and launched Basic Sustainability Training 2.0 – now focusing on greener owner-occupied dwellings and real estate. Our special focus on greener owner-occupied dwellings and real estate is due to the crucial role they play in the sustainable transition, particularly in terms of reducing Denmark's greenhouse gas emissions.

It is essential to us to continuously ensure a common level of sustainability skills and understanding, whether it is in our interaction with customers, the development of new solutions or collaboration across the organisation.

Future leadership is inclusive

Generally, organisational development takes a high priority at Nykredit. Nykredit's people pledge reflects our aim to be known for our trusting culture, guided by team spirit and empowerment. We attribute a large part of Nykredit's strong development in recent years to the organisational strength that we have systematically built, with a corporate culture where requirements for customer centricity and performance go hand in hand with requirements for integrity, care and collaboration.

Thus, our ambition for Nykredit as a customer-owned employer is directly linked to our commitment to inclusion and diversity where complementary skills enrich the creation of results. This calls for talented leaders who appreciate the importance of a workforce who perform based on different qualifications, experiences and backgrounds.

In 2023, we especially sought to promote the general understanding of diversity by integrating more diversity parameters in our work. We expanded our colleague engagement surveys with a new focus on minorities to gain a deeper understanding of the correlations between an individual's wellbeing and the experience of belonging to a minority group.

In 2023, the collective bargaining between Nykredit and the Financial Services Union Denmark resulted in an agreement to implement a completely new pay system in 2024. This pay system is characterised by high

transparency and objectivity and aims to counteract structures that could potentially hinder equal pay at Nykredit. In 2022, as the first financial sector employer in Denmark, Nykredit offered both mothers, fathers and co-parents the right to 26 weeks of paid maternity or paternity leave. Already in 2023, we saw an increase among our male colleagues, who now take an average of 22 weeks of maternity leave, compared to the previous 11 weeks.

Finally, we have set new targets for the share of women at all management levels, aimed at ensuring that every other management position in Nykredit is held by a woman over time. In 2023, we took important steps towards meeting our sub-target of 45% female representation by 2030 by moving from 33% at the beginning of the year to 37% at the end of 2023. This puts us above the sector average, and we will closely monitor that our strategic initiatives for the coming years drive our continued progress towards this target.

We are determined to show the Danes how a customer-owned Nykredit makes a positive difference – both in the marketplace and in the workplace.

Together we are more.



Michael Rasmussen, Group Chief Executive

Development and growth throughout Denmark – at all times

Through our lending practices and new initiatives, we will fulfil our pledge to society
of being active and supporting development and growth throughout Denmark – through the good times and the bad

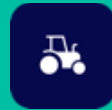
A greener Denmark



Greener
owner-occupied
dwellings



Greener
real estate



Greener
agriculture



Greener
businesses



Sustainable
investments

Responsible business practices



Responsible business practices

- Safe and open corporate culture
- Responsible customer advisory services
- Responsible products and services
- Anti-corruption



Initiatives to combat financial crime

- Contribution to the efforts of preventing and combatting money laundering, terrorist financing and tax evasion



Personal data, IT security and data ethics

- Secure customer data management
- IT security



A greener Nykredit

- Reduction of energy consumption and greenhouse gas emissions
- Recycling and reduction of waste



Responsible procurement

- Prevent breach of human rights and corruption in the supply chain



People

- Colleague engagement
- Upskilling
- Working environment



Diversity and inclusion

- Female management and board representation
- Equal pay
- Diversity

Nykredit – a lender to people and businesses all over Denmark

Nykredit is the largest lender in Denmark, the largest lender to homeowners and one of the largest lenders to small and medium-sized businesses, the agricultural sector and the housing sector. We serve people and businesses all over Denmark.

Being predominantly owned by an association, Forenet Kredit, which represents our customers, Nykredit is unique in the Danish financial landscape.

This means that we have a special responsibility for creating value to our customers and to society.

On the following pages, you can read more about the core elements of our business and the foundation of our corporate responsibility, our business model, our core values, our strategy, and what it means to us to be owned by an association.

The owners behind Nykredit



The investor consortium consists of PFA Pension (10.03%), PensionDanmark (2.40%), PKA (2.40%), AP Pension (1.63%) and AkademikerPension (0.44%). See the Management Commentary of the latest Annual Report of Nykredit A/S for a full Group chart.



About Forenet Kredit

Forenet Kredit is the association behind Nykredit and Totalkredit. The association promotes homeowners' fair and equal access to the mortgage system throughout Denmark – both now and in the future.

Forenet Kredit holds 78.9% of the Nykredit Group, and its members are customers of either Nykredit or Totalkredit. The customers of the Nykredit Group therefore have democratic influence on the association.

Read more about Forenet Kredit at forenetkredit.dk

Nykredit was founded by its customers and is owned mainly by its customers. This has a significant bearing on our approach to conducting financial business. The fact that we are owned by our customers manifests itself in several ways.

We have a nationwide presence

We have made a pledge to society to be active in urban and rural districts alike and support development and growth throughout Denmark. Through the good times and the bad. The Nykredit Group's capacity to provide loans to homeowners and businesses all over Denmark across economic cycles lies at the core of our corporate responsibility. During the financial crisis that began in 2008 Nykredit kept its loan books open throughout the country.

2023 was also marked by rising interest rates, high inflation, energy crises, geopolitical tensions between major powers and war in Europe and the Middle East. In other words, there was even more reason than usual for Nykredit to be there for our customers and society.

In 2023, Totalkredit, which is a part of the Nykredit Group, together with its 41 partner banks provided 70% of all new home loans outside the major cities.

We share our success

Forenet Kredit wants the dividend it receives from the Nykredit Group to benefit our customers. The association has therefore decided to make a contribution to the Group, which Nykredit and Totalkredit may use as, for instance, discounts to customers.

As a result, all customers with a Totalkredit mortgage loan are awarded a discount (KundeKroner). Thanks to these discounts, at the end of 2023, customers with a Totalkredit loan enjoyed the lowest administration margin payments in the market on the loan types that are most popular among Danish homeowners. Business customers with a Nykredit mortgage loan are awarded a similar discount (ErhvervsKroner).

Last but not least, we offer homeowners who are full-service customers of Nykredit Bank a customer benefits programme called ForeningsFordele.

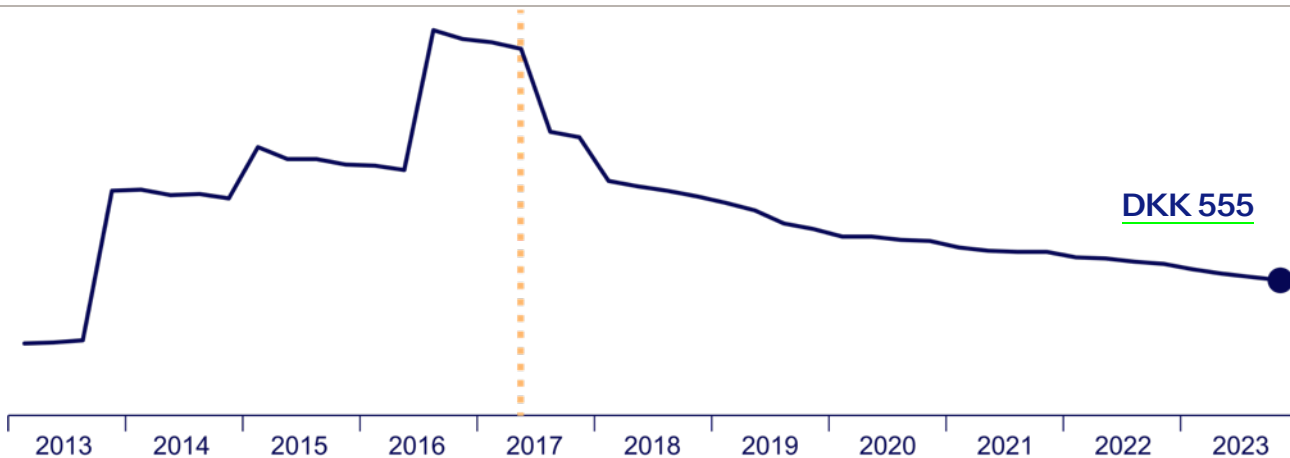
We contribute to a greener Denmark

The climate continues to be a fundamental and global societal challenge. Being a financial mutual and Denmark's largest lender, we can and must contribute to solving this challenge.

We believe that our main contribution to the green transition is to take our organisation and our customers in a more sustainable direction. We want to provide professional advice that creates value for the individual customer and to collaborate with our customers on increasing the positive and reducing the negative impacts on society.

At the same time, we are continuously striving to bring our mortgage lending and banking operations into play to support investments in the infrastructure, energy supply and technological development necessary to accomplish the green transition.

Customer loan margin payments are dropping



Totalkredit customers receive discounts under the KundeKroner benefits programme. This reduces their loan margin payments, which today average DKK 555 per month for each DKK 1 million borrowed. This is the lowest level in more than eight years.

How we shared our success in 2023

KundeKroner*

(Totalkredit)

DKK 1,309 million

* KundeKroner discounts awarded in Totalkredit in 2023. All our personal customers with a Totalkredit mortgage loan received a KundeKroner discount equal to DKK 1,500 a year for every million Danish kroner borrowed (the amount will be raised to DKK 2,000 from 2024). KundeKroner discounts have been guaranteed up to and including 2025.

ErhvervsKroner*

(Nykredit)

DKK 266 million

* ErhvervsKroner discounts awarded in Nykredit in 2023. All our personal customers with a Totalkredit mortgage loan receive an ErhvervsKroner discount equal to DKK 1,500 a year for every million Danish kroner borrowed. Business customers with loans exceeding DKK 20 million receive a discount on the first DKK 20 million. ErhvervsKroner have been guaranteed up to and including 2024.

Green contribution*

(Nykredit and Totalkredit)

DKK 25 million

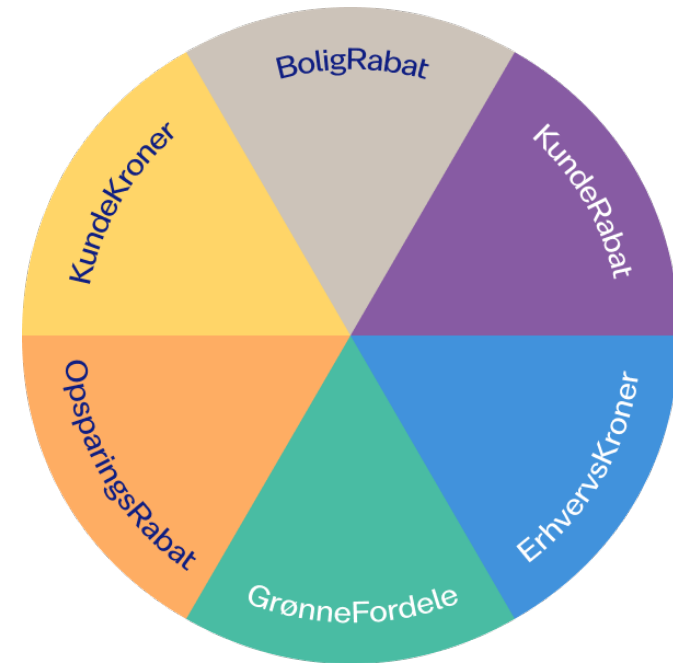
* Green contribution allocated by Nykredit and Totalkredit in 2023. Thanks to a green contribution from Forenet Kredit, the Nykredit Group can offer a range of particularly attractive green products to our customers.

Other benefits*

(Nykredit)

DKK 179 million

* Other customer benefits in Nykredit Bank in 2023. These include home loan discounts (BoligRabat), customer discounts (KundeRabat) and savings discounts (OpsparingsRabat).



Customer benefits (ForeningsFordele)

Customers who consolidate their finances with Nykredit Bank are entitled to several of the cash benefits mentioned above. Together we call them customer benefits (ForeningsFordele), and they include discounts on selected fees payable on loans and investments, cashback and the possibility of greener living and driving.

Business model

In concert with our Totalkredit partners we finance properties for homeowners and businesses. Our 41 local and regional Totalkredit partner banks form the foundation of our joint effort to provide mortgage loans throughout Denmark.



- 580 branches throughout Denmark
- Private residential mortgage lending: DKK 898 billion, equal to a market share of around 50%
- Totalkredit business mortgage lending: DKK 13 billion



We provide wealth management services to personal and business customers.

- Assets under management: DKK 456 billion



We finance public and cooperative housing.

- Mortgage lending to public housing: DKK 83 billion
- Mortgage lending to housing cooperatives: DKK 36 billion



We provide investment portfolio administration for institutional clients, such as pension and investment funds.

- Assets under administration: DKK 1.081 billion



We provide home financing and other personal banking services.

- Bank lending: DKK 14 billion



We finance real estate, operations and growth in the agricultural sector.

- Mortgage lending: DKK 84 billion, equal to a market share of 33%
- Bank lending: DKK 4 billion



We finance real estate, operations and growth in small and large businesses.

- Mortgage lending: DKK 327 billion
- Bank lending: DKK 77 billion



The estate agencies Nybolig, Estate and &LIVING arrange the sale and purchase of residential and commercial properties.

Corporate responsibility is ingrained in our core values

The Nykredit Group's corporate responsibility commitment builds on Nykredit's core values.

Nykredit's core values emphasise that the most important element of Nykredit's self-image is to be a reliable financial partner to the Danish people – also in times of crisis. Having the distinctive character of a financial mutual, we are committed to running an effective and well-capitalised business in firm control of earnings and costs.

Operating from a position of strength enables us to be there for Denmark.

Nykredit is both committed and uniquely positioned to help solve the challenges faced by society and to make a difference. In a predictable and reliable manner. This applies to challenges that are self-evident, given our core product and business system. When the economy falters, Danes should rest assured that Nykredit does not. There should be no doubt that Nykredit has the strength to support its customers, the economy and society by keeping its loan books open all across the country – at all times.

New societal challenges may arise over time. It is paramount that businesses and households contribute to a greener Denmark now and in the years to come.

We can make the biggest difference by making green and sustainable choices easier and more affordable – for homeowners and savers and for businesses and investors. As a financial mutual, and together with our majority shareholder, Forenet Kredit, we are committed to offering our customers the best solutions for a greener Denmark.

We have made six pledges to our stakeholders. They are the guideposts we steer by every single day in everything we do. They describe what our customers and other stakeholders can expect from us.

Our six pledges



Pledge to our customers

We will help our customers stay on top of their finances and will provide them with opportunities and security. We want to share their dreams and worries and help them find the right solutions.



Pledge to our business partners

In collaboration with our partners in the Totalkredit alliance, we want to make a difference to our customers by offering attractive products and effective solutions. We will actively develop the partnership to strengthen Totalkredit's combined competitiveness.



Pledge to society

We will be active in all of Denmark and support growth – in urban and rural districts alike. Through the good times and the bad.



Pledge to our colleagues

We will prioritise development and opportunities for people who will and can make a difference. We want to be known for our trusting culture guided by customer centricity, team spirit and empowerment.



Pledge to our shareholders

As one of Denmark's largest financial institutions, we will strive to maintain a strong and stable share, delivering attractive risk-adjusted returns and dividends.



Pledge to our bond investors

As one of Europe's largest bond issuers, we will provide a stable and secure investment opportunity for domestic and foreign bond investors.

Nykredit's corporate responsibility

Corporate responsibility is embedded in our Group strategy

As one of Denmark's largest financial providers, Nykredit is committed to actively supporting long-term, stable and sustainable development of society.

The third objective in the Group's strategy, Winning the Double 2.0, reads:

"We want to be the customer-owned, responsible financial provider for people and businesses all over Denmark."

The objective is to ensure that Nykredit's business strategy is at all times in alignment with society's goals, and that we prioritise corporate responsibility on a level with our other strategic objectives regarding Nykredit's and Totalkredit's market positions.

GROUP STRATEGY

Corporate responsibility is one of three core objectives of the Nykredit Group's strategy



WINNING THE DOUBLE 2.0

We want to expand Nykredit's banking position

We want to be the customer-owned, responsible financial provider for people and businesses all over Denmark

We want to secure Totalkredit's future position as market leader in home financing

BUSINESS STRATEGIES

Our corporate responsibility objective is ingrained in the business strategies of the Group's three key business areas:

Banking

Wealth Management

Totalkredit

CORPORATE RESPONSIBILITY STRATEGY

Our corporate responsibility strategy has been translated into prioritised initiatives across business areas and specialist functions. Initiatives are organised under three main themes:

Development and growth throughout Denmark – at all times

A greener Denmark

Responsible business practices

We focus on areas where we can make a substantial difference

Nykredit's corporate responsibility and sustainability efforts rely on analyses of areas where we can make the most impact, what our stakeholders expect from us, and how our business model is linked to key societal challenges.

This way, we focus our efforts on the areas where we can make the greatest difference.

Strategic alignment with society's goals

It is a natural part of Nykredit's responsibility as a financial mutual to contribute to achieving the goals of society, including the UN's 17 Sustainable Development Goals (SDGs), the Paris Climate Agreement and Denmark's ambitions in the area of the green transition.

The SDGs remain central benchmarks for how Nykredit can contribute to solving main societal challenges.

The figure on page 14 provides an overview of our approach to key societal challenges through prioritised initiatives.

The Corporate Sustainability Reporting Directive (CSRD)

The CSRD is a legal requirement under the European Green Deal. From 2024, Nykredit will report under the CSRD, which means, among other things, that a large part of Nykredit's sustainability reporting will be included directly in the annual report.

The purpose of the CSRD is to improve transparency and standardise corporate sustainability reporting. This will provide investors, customers, suppliers and decision-makers with reliable data and a more comparable basis for companies' sustainability efforts.

Impact and materiality analyses conducted by Nykredit



What are the challenges facing society?

We monitor and address the challenges facing society to ensure that our strategy and initiatives are in alignment with society's needs. The UN Sustainable Development Goals, the Paris Climate Agreement and national political objectives are among our central benchmarks.



Where can we make a significant impact?

We analyse the scope and nature of current and potential positive and negative impacts of Nykredit's lending, investments and business activities on the given societal challenges. And we consider the risks and opportunities inherent in the different challenges to our business and strategy.



What is important to our stakeholders?

We engage with our internal and external stakeholders, who help us understand the nature of individual challenges and expectations as to where and how Nykredit may contribute.



Where and how can we create value through our business?

We address key challenges and sustainability-related risks and opportunities for impact through prioritised initiatives that are vested in the relevant business areas and specialist functions.

Prioritised initiatives in 2023

In 2023, the development in society and our own impact and materiality analyses confirmed the focus of Nykredit's corporate responsibility strategy.

The Nykredit Group is Denmark's largest lender and mortgage provider, and therefore, one of our most significant impact areas continues to be how we strengthen access to affordable and secure financing in all regions of Denmark. This is the backdrop of our *Development and growth throughout Denmark* initiative, which played a central role during the covid-19 crisis for Nykredit and is important for development in the rural districts, and which will play a key role in the period set to follow from high inflation, interest rate increases, energy crises and the wars in Europe and the Middle East.

The climate challenge is another key area where we have a profound impact in the form of the climate footprint of the activities we finance and invest in, and where we stand to make a positive difference together with our customers. The initiatives listed under the heading of *A greener Denmark* address the areas of our business with the largest climate footprint. At the same time, we are increasingly addressing other aspects of sustainability together with our customers, while keeping a strong focus on the Group's own climate footprint through our initiative *A greener Nykredit*.

Our Responsible business practices commitment forms the foundation of our corporate responsibility efforts and aims to ensure that colleagues throughout the organisation act responsibly and address the risk of our activities having a negative impact on society.

The right-hand figure shows the challenges and SDGs addressed by our initiatives. Actions, results, goals and risks relating to the individual initiatives are described in more detail in the following sections.

Societal challenges

Initiative

UN SDGs

Development and growth throughout Denmark

Access to finance for homeowners and businesses is essential to Danish society and to growth and prosperity all across the country.

Development and growth throughout Denmark



A greener Denmark

Buildings are key to achieving the climate targets. Replacement of heat sources, energy renovation of existing homes as well as new, sustainable buildings are needed.

Greener owner-occupied dwellings

Energy consumption in buildings makes up around 45% of Denmark's total energy consumption. Existing buildings need to undergo renovation, and new buildings should be as climate-friendly as possible.

Greener real estate

Danish agriculture accounts for about 20% of total greenhouse gas emissions in Denmark.

Greener agriculture



Denmark has set an ambitious target of reducing its greenhouse gas emissions by 70% by 2030 compared with 1990. This will require massive investments in the green transition.

Greener businesses

There is a need for massive investment in companies that contribute to sustainable global development and for investors that engage with companies to adopt responsible business practices and contribute to the green transition.

Sustainable investments

Responsible business practices

Businesses impact the climate and the environment through their production.

A greener Nykredit

Purchases of products and services can indirectly impact the climate. Using suppliers and sub-suppliers also involves a risk of human rights violations and corruption.

Responsible procurement

Financial crime is extremely harmful at both the national and international levels.

Initiatives to combat financial crime

Financial institutions have a major responsibility for ensuring responsible advisory services in relation to their products and services.

Responsible business practices

In the financial sector, data breaches and loss of personal data may harm society and have serious consequences.

Personal data, IT security and data ethics

A qualified, dedicated and satisfied workforce is a prerequisite for sustainable and responsible business operations.

People

A lack of diversity and representation may result in failure to realise the full potential of current and potential colleagues.

Diversity and inclusion

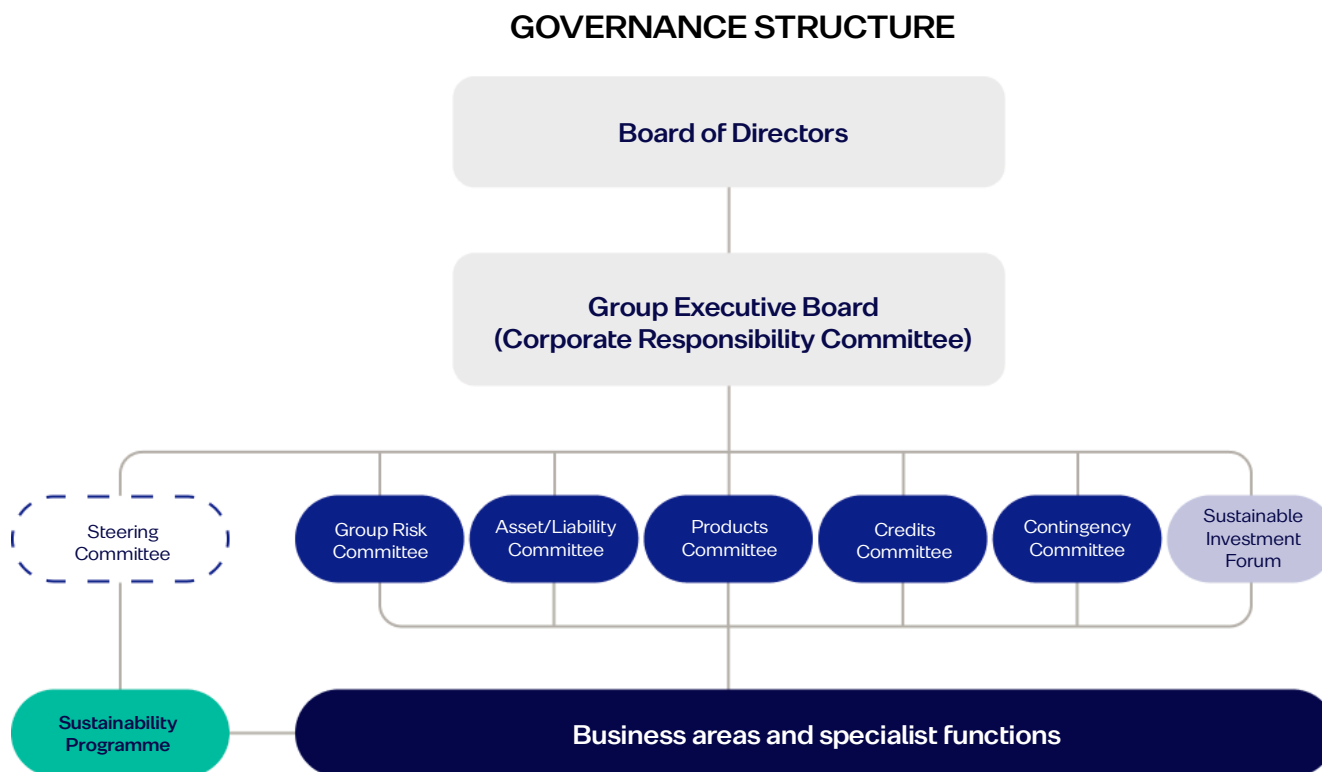


Governance

Nykredit's corporate responsibility commitment has been integrated into the Group's governance structure. The Board of Directors sets the strategic direction of Nykredit's business and approves our Corporate Responsibility Policy, which defines the scope of our work. The policy applies to the entire Group and is subject to annual updates. The Group Executive Board makes up our Corporate Responsibility Committee. The Group Executive Board defines our strategy for corporate responsibility and the prioritised initiatives that form the basis of our specific measures, business procedures, products and processes.

The Group Executive Board is also responsible for the overall implementation of the UN Principles for Responsible Banking and Nykredit's annual reporting. Business areas and specialist functions make up our first line of defence. The managements of the individual business areas are responsible for identifying, assessing and managing the risks arising in connection with their activities. In addition, they implement policies and business procedures and prepare the annual Corporate Responsibility Report, just as they have an obligation to report to the Group Executive Board and the committees to which the Group Executive Board has delegated responsibilities.

The Group's sustainability efforts are managed under the Sustainability Programme to ensure consistent direction, prioritisation and coordination of, in particular, the Group's green sustainability initiatives and their execution across the organisation. Key business areas and specialist functions are represented in the programme and its steering committee, and relevant business areas and specialist functions supply resources for the programme.



Risk management

Sustainability-related risks are integrated into governance, strategy and risk management

Climate change exposes Nykredit's business activities and our customers to a range of new risks and opportunities relating to environmental, social and governance (ESG) factors. It is pivotal that Nykredit is able to identify, contain and handle these ESG risks, while at the same time detecting and exploiting the new opportunities to the fullest.

The integration of ESG risks into Nykredit's risk management practices is an ongoing process. ESG factors are considered to be drivers of existing risks and are of particular relevance in the areas of credit and operational risks, but they also affect market, liquidity and funding risks. ESG risk management is improved continuously, and the Group's specialists receive ESG training; also, a structured approach is applied to the collection and capturing of data.

Risk management

Sustainability risks are increasingly being integrated into Nykredit's risk management so as to get a clear picture of the sensitivity of the loan portfolio to climate risks or risks deriving from other sustainability factors. Credit assessments of business customers include assessment of physical and transition risks relating to climate change as well as other ESG factors where relevant to the

individual customer. Risks relating to climate change are integrated into the management of the traditional risk types, and such risk management therefore adheres to principles and working procedures already established. Our colleagues are continuously being trained to handle this task in the best possible way, and we have a focus on ongoing upskilling. Risk assessments in relation to relevant risks are also being expanded to include various stressed scenarios of weather events and/or rising sea levels. These efforts continued on a larger scale in 2023, with a greater focus on how Nykredit's customers are affected by changed regulatory requirements and consumption patterns.

Improved sustainability data are an essential prerequisite for risk assessments. The basis of our data – as well as the structure of our data work – was further strengthened in 2023. This work also supports the increasing regulatory requirements, including requirements for new statements and publications, in particular in accordance with the Pillar III requirements of the Capital Requirements Regulation and the determination of relevant KPIs under the EU Taxonomy Regulation, including the Green Asset Ratio (GAR). In addition to external reporting, the data basis also supports the needs and requirements of the business in relation to customers.

Finally, strengthened sustainability data are essential for Nykredit's internal risk management, monitoring and reporting, which support Nykredit's concrete targets for our green transition commitment.

What we expect from business customers

We expect all business customers, new and existing, to promote more sustainable practices for the purpose of future-proofing their business models. Nykredit will also be making balanced and insisting demands, and these demands will be incorporated into future prices and terms and be differentiated in proportion to the sector and size of a business.

This means that we do not end a business customer relationship because the customer's current position is unresolved or vulnerable. Nor do we reject new customers. However, we reserve the right to turn down new business customers if their current position, action plans or efforts are too weak, just as we reserve the right to not expand our relationship with business customers who seem unwilling to implement appropriate changes.

Credit

The sustainability profile of business customers is increasingly affecting their competitiveness. Therefore, ESG risks are included as a natural part of the credit analysis of all business customers. The analysis determines the risk of losing competitiveness as a consequence of the transition to a more sustainable economy. The analysis is based on recognised concepts and available data. The assessment of ESG factors is a still-evolving discipline, with dynamic methods, market standards, data sources and data quality. We therefore expect – and work proactively – to revise our approach as this discipline evolves. The ambition is to create insights for our customers and to increase their chances of acting on red flags or new business opportunities.

Property valuations

ESG factors have been integrated into Nykredit's Valuation Policy with a special focus on the impact of climate change on the valuation of a property. Consequently, ESG factors are part of property valuations, as they allow for climate-related risks. In some geographical areas, the Danish climate involves risks of storm surges, flooding and erosion. Valuations of properties in exposed geographical areas therefore focus on whether the property has been protected from future climate change impacts and on the property's marketability in view of its exposed location. Energy improvements and green transition will be taken into consideration, provided that the added property value can be documented. In the coming years Nykredit will be improving property valuations and training the Group's valuers in including any physical risks relating to individual properties.

Managing societal and financial risks

Nykredit's business activities entail certain risks that have an impact on society as well as on our business. *Societal risks* include the risk that our activities have a negative impact on society, people, the environment and the climate. Examples could be investments in companies that fail to fully meet human rights standards, or lending to companies that emit greenhouse gases. These societal risks and the way we address them are described in more detail in the individual sections of this report.

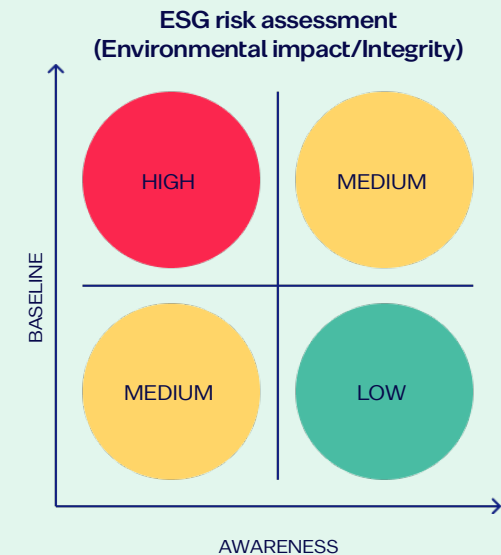
Financial risks primarily include credit risk, but also market, liquidity and operational risks. Nykredit's risk management in these areas helps secure our financial stability and capacity to provide lending all over Denmark and follows naturally from our status as a systemically important financial institution (SIFI) and the responsibility that comes with it. This is why our risk management focuses on financial solutions that are sustainable for Nykredit and for society in the short, medium and long term. Our financial risks and risk management efforts are described in more detail in our Risk and Capital Management Report.

ESG factors are included in the credit analysis of our business customers

The analysis is divided into Environmental Impact ("E") and Integrity ("S" and "G"). In the Environmental Impact analysis, the assessment method is based on a customer's baseline and awareness levels. The baseline is currently set based on the customer's industry categorisation and resulting climate footprint.

The awareness level is an assessment of a customer's level of ambition in the relevant area and their efforts to mitigate relevant risks. Integrity is assessed based on a business client's current focus on social factors in its entire value chain and on general employment conditions as well as indicators of management's and the board of directors' conduct and actions, such as bankruptcy track record, lawsuits etc.

Diversity and independence of the board of directors are also assessed for the largest customers. Overall, this offers an indication of the risk of a customer's competitiveness being reduced over time, which will cause Nykredit's credit risk to increase. The methods will be expanded as data at customer level become available.



ESG- and climate-related risks

ESG-related risks comprise risks relating to existing or future impacts of ESG factors on customers and counterparties and on invested assets. Risks relating to ESG factors affect the traditional risk types, including credit risk, market risk, liquidity risk, funding risk and non-financial risks. Risks arising from climate change are a key part of ESG-related risks and include physical and transition risks.

Physical risks pertain to costs and losses arising from extreme weather conditions or long-term changes brought about by climate change. For Nykredit, one example could be the risk of flooding of homes and buildings in particularly exposed areas, and, with that, the risk that the value of the security behind our mortgage loans in particular is reduced.

Transition risks pertain to business customers' risk of incurring costs and losses as a result of new regulation, technological advances and changes in consumer behaviour arising in the wake of the transition to a more sustainable economy. For Nykredit it is a matter of whether the customers we provide loans to and invest in are able and willing to prepare for a situation where their business models may be challenged by the transition to a more sustainable economy.

We continue to improve the quality of sustainability data

Nykredit's efforts in the areas of sustainability and the green transition build on a solid and reliable foundation of knowledge and data. Nykredit needs reliable internal sustainability data. At the same time, we can help our customers improve the quality of their data. Improved quality of data is necessary to:

- ensure that Nykredit and our customers move in the right direction.
- provide customers and business partners seeking an overview of sustainability in the entire value chain with the required knowledge.
- analyse and manage new ESG- and climate-related risks.
- fulfil the reporting obligations, which include increasingly extensive data requirements.
- strengthen our position in a market where sustainability is an important competitive parameter.
- assist and impose requirements on customers.
- increase the quality of our carbon emissions statement.

In a number of areas, data accessibility and data quality continue to be a major focus area at Nykredit and at our customers. Consequently, we are working along two tracks; we want to improve our own data and to help customers improve and access data. Data at customer level are important, as they allow us and our customers to take the right measures and monitor progress. Nykredit works to improve our own data basis and processing, including with a strengthened organisation in the area. We also work on broader solutions together with the other financial sector participants, including in particular e-nettet. Furthermore, we are working with relevant partners who can support both Nykredit's and our customers' data-related efforts. Examples are SEGES' ESGreenTool for farmers and Nykredit's partnership with Valified for agricultural and SME customers, respectively.

At the same time, we are improving the data needed for Nykredit's reporting under, for instance, the EU's Taxonomy and the Disclosure Regulations and the upcoming rules on corporate sustainability reporting in accordance with the new CSRD. This includes collection and registration of relevant data at Nykredit and relevant data from our customers.

EU taxonomy

The EU taxonomy for sustainable activities is a cornerstone of the EU's sustainable transition plans. The taxonomy aims to provide businesses, investors and decision-makers with science-based definitions of economic activities that qualify as contributing to the EU's climate and environmental objectives to better enable them to promote sustainable investment. The EU taxonomy also guides Nykredit's ambition to promote green investment and lending by providing a framework for what qualifies as environmentally sustainable.

Like the other financial companies, Nykredit has so far reported on the proportion of activities we finance through loans and investments that qualify as eligible under the EU taxonomy in relation to the two climate objectives "climate change mitigation" and "climate change adaptation" ("taxonomy eligibility"). This first disclosure therefore only indicated the proportion of activities that may potentially be classified as sustainable.

As of this year, we also report on the proportion of our financed activities that qualify as aligned under the EU taxonomy's definition of sustainable activities in relation to the above-mentioned two climate objectives ("taxonomy alignment"); that is, the proportion of our financed activities that can actually be classified as sustainable under the taxonomy.

For the other four environmental objectives, we report for the first time on the proportion of our assets that qualify as eligible under the EU taxonomy ("taxonomy eligibility").

In 2023, we updated our Green Bond Framework, which determines what loans qualify for funding using green bonds, so that it is widely in alignment with the taxonomy. Our taxonomy approach is also integrated into our governance when, for example, we develop new products.

Green Asset Ratio (GAR)

Customers' activities financed by Nykredit are assessed in accordance with current rules based on the EU taxonomy and are stated in aggregate terms in the so-called Green Asset Ratio (GAR).

The GAR states the proportion of Nykredit's total assets that relate to taxonomy-eligible financed activities (ie a number of specific segments – and for businesses; customers with more than 500 employees as well as listed companies), and which at the same time qualify as taxonomy-aligned.

Background on the EU taxonomy

The EU taxonomy provides a framework for determining which financial activities qualify as environmentally sustainable.

The EU taxonomy identifies six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

A sustainable activity must:

- contribute substantially to one or more of the six environmental objectives without causing significant harm to any of the other environment objectives (the "do no significant harm" (DNSH) criteria); and, at the same time,
- respect minimum guarantees for human and labour rights.

As at the end of 2023, Nykredit had a total Green Asset Ratio (GAR) of 5.74%.

Green Asset Ratio
5.74%

Nykredit's full taxonomy reporting, including methodological assumptions, can be found in the Appendices at the end of this Report.

The GAR assessment is based on customers' activities financed by Nykredit. For businesses, including financial companies, the assessment must generally be based on data provided by the customer. Therefore, for business lending, Nykredit has based its assessment of whether the financed activities qualify as sustainable on the businesses' own taxonomy reporting. In this context, it is noted that there is generally a tendency for businesses' GAR statements to be conservative due to strict documentation requirements, and this is then reflected in Nykredit's GAR.

Until 2024, only listed companies and businesses with more than 500 employees are obliged to publish their taxonomy reporting. At the same time, some activities are not yet included. For instance, this applies to agriculture. This means that the ratio of taxonomy-relevant activities in the exposure to, for example, agriculture, and SMEs cannot immediately be deemed to contribute to the climate and environmental objectives under the taxonomy. In some areas, reporting from businesses is not

yet available, for example in relation to the four new environmental objectives. In these areas,

Nykredit does not have the data to determine whether the assets qualify as taxonomy-eligible, or to what extent they qualify as taxonomy-aligned. This imposes limitations on the calculation of the proportion of sustainable activities and generally results in the proportion being lower.

The Green Asset Ratio will evolve as more of our customers become subject to reporting. Overall, the data basis is being developed, and it is in many cases an obstacle to complying with the documentation requirements as specified in the often very detailed screening criteria set out in the taxonomy.

The assessment of mortgage lending to households is, among other things, based on the energy label of the building, see the requirements of the EU taxonomy. However, only about 40% of Danish owner-occupied dwellings have a valid energy label. In the absence of valid labels, compliance with the taxonomy cannot be documented and is therefore not assessed. This reduces the proportion of sustainable activities.

It should be noted that in connection with financing of real estate and as part of the assessment of whether the asset qualifies as taxonomy-aligned, an assessment must be made of whether the property is at risk of being exposed to climate-related physical risks in connection with both chronic and acute weather events (such as heavy rainfall and flooding). Current legislation leaves room for interpretation in assessing these risks, and data to assess them are difficult to access. Therefore, there may be different interpretations of physical risks across businesses.

Together with the templates in Appendix 88, the section above makes up Nykredit's disclosure in accordance with Article 8 of the Taxonomy Regulation and the Commission Delegated Regulation (EU) 2021/2178, including Annexes VI, XI and XII.



Development and growth throughout Denmark

"At Forenet Kredit, we champion equal loan terms for people and businesses all over Denmark – regardless of their postcode – through the world's best and only customer-owned mortgage provider. We are the association behind Nykredit and Totalkredit, and, therefore, the delivery of Nykredit's corporate responsibility commitment by providing lending in all regions of Denmark, its core business, is essential to us. It helps to strengthen cohesion and ensure security and stability across the entire Danish housing market."

Michael Demnitz, Chair of Forenet Kredit

Development and growth throughout Denmark

Being Denmark's largest lender, Nykredit has a special role to play. We will be active in all of Denmark and support growth – in urban and rural districts alike. This is a pledge that places demands on the Nykredit Group's business model, profitability, capital resources and lending practices in the area of banking as well as mortgage lending.

At the same time, as a customer-owned financial provider, Nykredit must be predictable. Through the good times and the bad. When the economy falters, Danes should rest assured that Nykredit does not. There should be no doubt that Nykredit has the strength and stability to support its customers, the Danish economy and society by keeping its loan books open at all times.

Financial strength and security in times of uncertainty

Sound credit assessments of the personal finances of each individual customer, a strong earnings base and a solid capital position constitute the foundation for our capacity to provide loans in the good times and the bad. And for several reasons. We share a responsibility for ensuring that our customers do not borrow more money than their personal budgets or business budgets allow. Accordingly, we may still have to refuse customers' loan requests if their personal finances are not sufficiently robust. Nykredit's effective credit practices enabled us to issue new loans to borrowers all over Denmark during the financial crisis and, most recently, in connection with the uncertainty that arose during the covid-19 epidemic. The

same will apply in the current situation with the uncertain economic and geopolitical outlook. Nykredit must always be predictable – even when times are uncertain.

The Danish economy has so far weathered a perfect storm of high inflation, interest rate hikes, energy crisis, geopolitical tensions between major powers and wars in Europe and the Middle East. 2023 was a year of positive surprises compared with what was predicted by many economists.

In 2023, we continued our work to ensure a solid capital position and strong risk and credit management, so that we remain in a situation where we can contribute to supporting the Danish economy. And we want to continue to do so every time the Danish economy is facing headwinds.

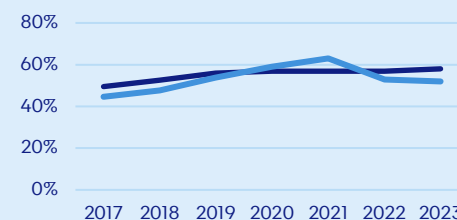
Resilient homeowners

At the end of 2023, Totalkredit's customers enjoyed the lowest administration margin payments in the market on the loan types that are the most popular among Danish homeowners. For many years, we have encouraged homeowners to choose fixed-rate loans and repayment loans. At the same time, we can see that customers' loan-to-value (LTV) ratios are at a low level. In other words, Danish homeowners are generally financially robust. Moreover, Danish mortgage lending is one of the most

cost-effective home financing regimes in the world. At the same time, the mortgage system is one of transparency and solidarity; all borrowers, regardless of their income, financial position, accounts volume or geographic location, pay the same loan rates and administration margins. Only the borrower's loan-to-value ratio and the loan type determine a loan's interest rate and administration margin.

Still more homeowners amortise their loans, but fewer homeowners choose fixed-rate loans

- Portfolio proportion of repayment loans
- Portfolio proportion of fixed-rate loans



Development in Totalkredit fixed-rate and repayment loans to personal customers.

Robust homeowners and low LTVs



Development in LTVs in Totalkredit and Nykredit loan portfolios.

We have a nationwide presence

Our business model, which builds partly on a unique alliance between Totalkredit and 41 Danish independent partner banks, is our foundation for offering attractive and secure loans all over Denmark, thereby keeping our pledge to society of supporting growth and development in all of Denmark.

Totalkredit supports the local presence of partner banks

Mortgage finance is key to attracting homeowner customers, but it also requires scale and capital. Basically, this provides the largest banks with an edge. The Totalkredit alliance, however, provides small and medium-sized banks with reliable access to a range of mortgage loans that fully or more than fully match those offered by the largest banks. As members of the Totalkredit alliance, even the smallest of Danish banks are able to offer attractive and secure mortgage loans, including the market's lowest administration margins on the most popular loans thanks to the KundeKroner benefits programme.

That is essential in a sector where increased regulation and digitisation have increased the challenges for small banks. This way, the Totalkredit alliance promotes competition and supports the strong presence of small and medium-sized banks all across Denmark. By virtue of their strong local presence and insight into local conditions, our partner banks can support growth and progress in the Danish local communities through their lending activities and local engagement.

In 2023, the Totalkredit partner banks combined had 580 branches, or more than 69% of all bank branches in Denmark. Totalkredit accounted for 70% of all new home loans in areas outside the large cities in 2023.

The widespread presence all over Denmark coupled with the attractive and secure loans offered to our customers were the main catalysts of the Totalkredit partnership commanding a solid market share across Denmark – and explain why we are the leading lender in districts with long distances between the large cities.

Danish mortgage lending takes first place in Europe

Across countries, buying a home is by far the biggest financial choice for most people. If you buy your home in Denmark, you are in a more favourable position than homebuyers in other countries. Danish mortgage lending is not only much cheaper than the EU average, but also excels when the cost of financing a home in Denmark is compared with countries that perform best in a European context.

However, cost savings are not the only strength of the Danish mortgage model. Compared with the Netherlands, Germany and Sweden, the Danish mortgage system is based on solidarity. While homeowners in our neighbouring countries pay an interest rate that is based on an individual assessment of their personal finances, the location of the home and other factors, the Danish mortgage system is characterised by uniform prices. This ensures that all homebuyers obtain the same loan terms, regardless of who they are and where in Denmark they live.

Source: Forenet Kredit (2023): Analysis of the Danish mortgage system

Everyone must come on board the green transition, regardless of where they live

As one of Denmark's largest financial providers, Nykredit has a responsibility to contribute to financial inclusion throughout Denmark, regardless of postcode. We do this by ensuring fair and equal access to affordable financing of the green transition throughout Denmark.

Energy consumption in buildings makes up around 45% of Denmark's total energy consumption, and the buildings account for 18% of Denmark's total carbon emissions. Especially homes that are not energy-optimised but heated with traditional energy sources such as oil and gas are high emitters. A significant proportion of these homes are found outside the large cities.

The energy crisis has highlighted the fact that not all homeowners have the money nor the possibility to make home energy renovations or replace their heat sources. This particularly applies to homeowners who are prevented from making home energy renovations because of the low value of their home. At Nykredit, we believe that the green transition should not exacerbate economic inequality, but rather contribute to promoting financial inclusion.

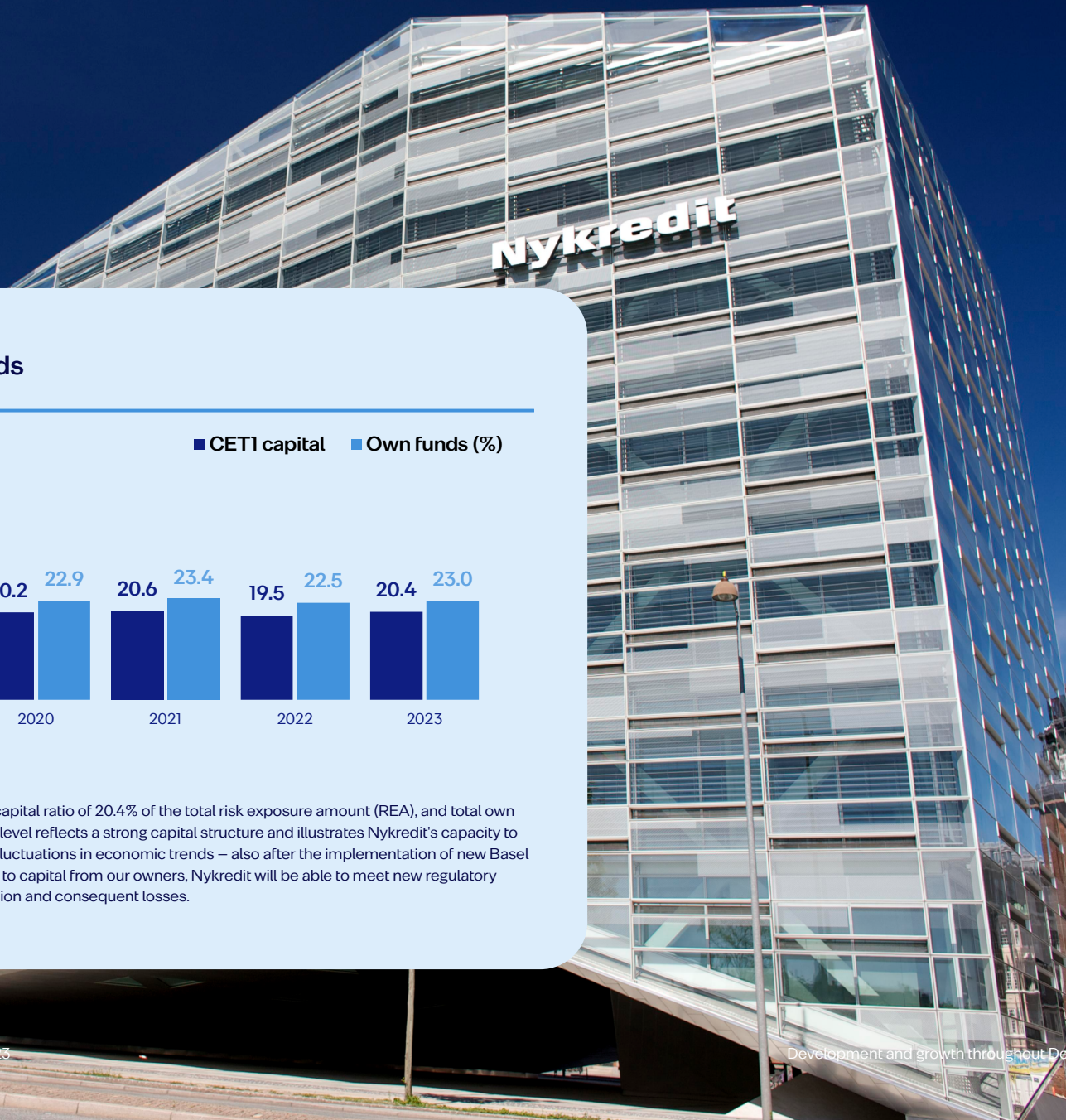
Thanks to our mutual ownership, we are able to offer our customers a number of loan and savings products on very favourable terms in connection with energy renovations and replacement of heat sources. This will be described in further detail in Greener owner-occupied dwellings on pages 34-37.

Initiative to replace oil- and gas-fired boilers all across Denmark

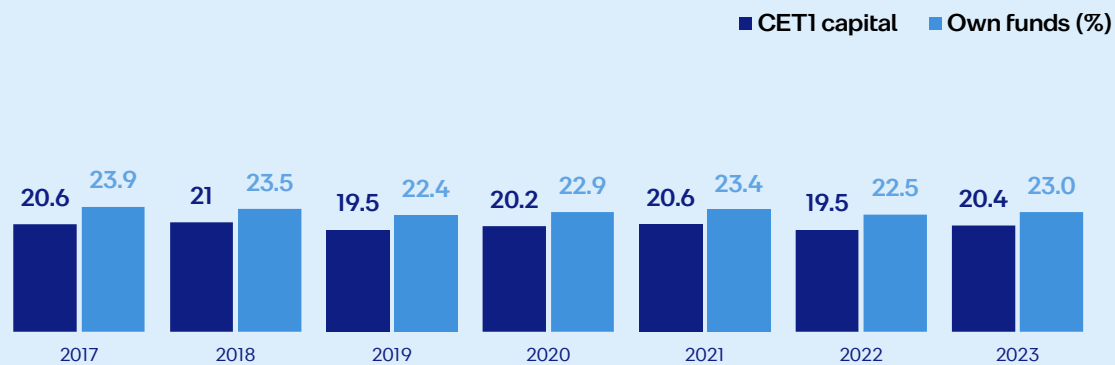
Replacing fossil heat sources with green energy is a key element of the green transition of the housing stock and an efficient way to reduce its carbon footprint and to obtain a better energy label in many cases. And it is also an area where Nykredit can make a significant difference.

We have offered Totalkredit customers replacing their old oil- or gas-fired boiler with a heat pump a cash contribution of DKK 10,000. This is possible thanks to our customer-ownership structure and contributions from Forenet Kredit. If our customers switch to a heat pump, they may typically enjoy annual savings on their heating bill, while reducing their greenhouse gas emissions by up to 70%.

2023 has shown us that many of our customers still support the green transition and turn to the Nykredit Group to finance their green choices. Our target is for 85% of owner-occupied dwellings to have another heat source than oil and gas-fired boilers by 2025. The oil-share rose from 76% to 78.1% in 2023. In order to reach the target, the share must increase by 3.5 percentage points per year in the next two years.



Changes in CET1 capital and own funds



The Group holds CET1 capital of DKK 88.4 billion, equal to a CET1 capital ratio of 20.4% of the total risk exposure amount (REA), and total own funds of DKK 99.5 billion, equal to a capital ratio of 23.0%. The high level reflects a strong capital structure and illustrates Nykredit's capacity to maintain its business activities throughout Denmark regardless of fluctuations in economic trends – also after the implementation of new Basel requirements in the EU. Thanks to our capital structure and access to capital from our owners, Nykredit will be able to meet new regulatory requirements and, in addition, be able to withstand a severe recession and consequent losses.

Development and growth throughout Denmark



Societal challenges

It is essential to the Danish economy and to growth in all parts of the country that businesses and homeowners have access to loans. During financial crises, banks and credit institutions generally tend to curb lending to minimise the risk of losses. This affects individuals and businesses in need of a loan, and the lack of funding for growth and new activities may aggravate a financial crisis. Also, borrowing may, for various reasons, prove more difficult for certain groups in society or certain regions.



Nykredit's response

We will be active in all of Denmark and support growth – in urban and rural districts alike. Through the good times and the bad. Equal access to the mortgage system and pricing solidarity for personal customers with no distinction being made on the basis of income, geographical location or accounts volume are the guiding principles of the Danish mortgage system and of our majority shareholder, Forenet Kredit, and a fundamental element of our business model.

We prioritise active lending in all of Denmark, and together with our Totalkredit partners, we provide nearly half of all home loans. We are working across the Group with initiatives aimed at supporting home ownership, the green development and growth throughout Denmark. Sound credit assessment practices and a solid capital position constitute the foundation for our capacity to provide loans at all times. To this end, we seek to ensure a solid capital position and strong risk and credit management practices at all times. We are also ready and willing to reassess our own practices and enter into dialogue when certain customer segments experience difficulties obtaining loans.



Governance

The Group Executive Board is in charge of setting goals and overseeing initiatives aimed at ensuring that Nykredit can support development and growth throughout Denmark – at all times.

Policies

- Credit Policy
- Risk Policy



Activities and achievements

- The positive development in market shares bears witness to our strong presence in all of Denmark.
- Nykredit's capital position has strengthened.
- Once again, Totalkredit has won the Danish Consumer Council's award for some of the cheapest mortgage products in the market.



Risks of negative impact on society

The risk of suffering losses on the loans we provide to personal and business customers, for example, is also one of Nykredit's main societal risks. Excessive losses can have a negative bearing on our financial position and resilience and inhibit the Group's capacity to offer loans to people and businesses all over Denmark – also in times of economic volatility. We also risk becoming overly prudent in the sense that we might restrict our lending activities unnecessarily. Therefore, striking the right balance between active lending and solid capital and credit policies is a central aspect of our corporate responsibility commitment.

Nykredit's risk

Nykredit's business activities and lending throughout Denmark expose the Group to certain credit, market, liquidity and operational risks. These business risks are described in more detail in our Risk and Capital Management Report.

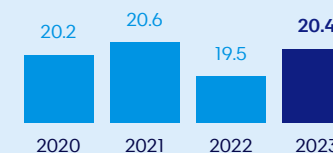


Ambitions for 2024

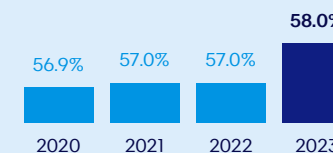
- Continue to consolidate our business to maintain the capacity to offer loans to people and businesses and to support development and growth throughout Denmark.
- Provide our customers with sound advisory services in an uncertain economic environment caused by inflation, interest rate increases, energy crisis and geopolitical tensions.
- Continue to provide mortgage lending at uniform prices for personal customers, with no distinction being made on the basis of income, geographical location or account volume.

Key figures and targets

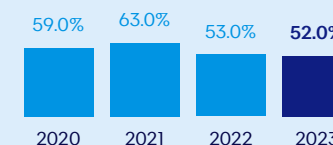
CET1 capital ratio (%)



Portfolio proportion of repayment loans (Totalkredit)



Portfolio proportion of fixed-rate loans (Totalkredit)



A greener Denmark

"As a society we share a common task: To make Denmark greener. At Nykredit, we have made it our business to make it easier and more attractive for our customers to live, drive, renovate, save up, invest and operate their businesses more sustainably."

Tonny Thierry Andersen, Group Managing Director

A greener Denmark

Climate change is among the greatest challenges of our time. And being a mutual financial provider, the largest lender and one of the large investors in Denmark, we acknowledge our special responsibility and not least our *capacity* to make a difference. With that in mind, we will do our utmost to contribute to achieving the ambitious climate targets that Denmark as a society has set out to reach.

We have defined specific climate targets that, combined, set the course for our green transition efforts. The targets include the significant areas of the Group's operations in the short, medium and long term. These targets, and the overall strategy for achieving them, have been approved by Nykredit's Board of Directors.

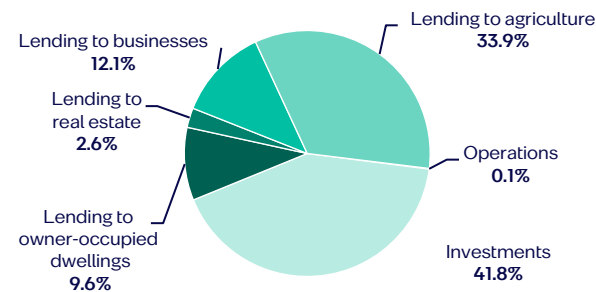
Accounting for less than 1% of our total carbon footprint, emissions from Nykredit's own operations are limited. The rest, more than 99%, derives from lending and investment activities. For more than 10 years now, we have been committed to decarbonising our own operations. And we will hold on to that commitment. However, data clearly show that we can take the greatest leap forward if we team up with our customers. We not only believe that this will help promote the transition necessary towards a low-emission society; we also fundamentally believe that it is good for Nykredit as a financial business. Strong focus on the green transition increases customer satisfaction and contributes to driving business growth. And it will help preserve the value of customers' assets and businesses, improving the quality of our loan book.

On the next pages we report on the progress we have made on our climate targets and provide an overview of Nykredit's efforts to meet these targets and of our green transition response. This is followed by five sections, one for each of the prioritised initiatives that also form the basis for Nykredit's climate targets and green transition efforts.

- Greener owner-occupied dwellings
- Greener real estate
- Greener businesses
- Greener agriculture
- Sustainable investments

These are followed by a section on our work with the transition of Nykredit' own operations, see A greener Nykredit.

The Nykredit Group's climate footprint by lending, investments and operation



Nykredit's targets should be validated against international standards

Nykredit has committed to achieving net zero greenhouse gas emissions from our lending, investments and own operations by 2050 at the latest, and the emissions reduction should as a minimum be put on a path that aligns with the targets of the Paris Climate Agreement – also known as *Paris alignment*.







Nykredit's commitment has been formalised by joining three acknowledged, global initiatives:

- **The Science Based Targets initiative (SBTi)** – covers the entire Nykredit Group.
- **The Net Zero Banking Alliance (NZBA)** – covers the loan portfolio.
- **The Net Zero Asset Managers initiative (NZAM)** – covers the investment portfolio.

We will deliver on our commitment by setting targets that build on recognised standards and methodologies. The methodologies used to set the targets and the key elements in Nykredit's transition strategy were published in the Nykredit Group's Climate Targets ([Klimamål for Nykredit-koncernen](#)).

The Nykredit Group's climate targets

Net zero by 2050

2030 emissions targets	 <p>Owner-occupied dwellings</p> <p>75% reduction</p> <p>(kgCO₂e/m²/year)</p>	 <p>Real estate</p> <p>Residential real estate: 75% reduction</p> <p>Commercial real estate: 65% reduction</p> <p>(kgCO₂e/m²/year)</p>	 <p>Agriculture</p> <p>45-55% reduction</p> <p>(tCO₂e/DKK million)</p>	 <p>Businesses</p> <p>Targets under development</p>	 <p>Investments</p> <p>60% reduction</p> <p>(tCO₂e/DKK million)</p>	 <p>Operations</p> <p>85% reduction</p> <p>(CO₂e)</p>
	Supporting targets	<p>Oil- and gas-fired boilers</p> <p>85% of owner-occupied dwellings will have another heat source than oil- or gas-fired boilers by 2025.</p> <p>Electric cars</p> <p>50% of new car loans should be for electric cars by 2023-2025.</p>	<p>Transition plans</p> <p>Nykredit will set targets for the number of real estate customers, agricultural customers and other business customers that must have green transition plans in place.</p> <p>Targets under development.</p>		<p>Paris alignment</p> <p>All investments must be or be about to be in line with the 1.5°C goal by 2030.</p>	<p>Energy consumption and heating</p> <p>The total MWh consumption must be reduced by 25% relative to the 2017 level by end-2025.</p> <p>By 2030, no Nykredit locations should be heated directly using fossil fuels.</p>

[Read more at nykredit.com/samfundsansvar](https://nykredit.com/samfundsansvar)

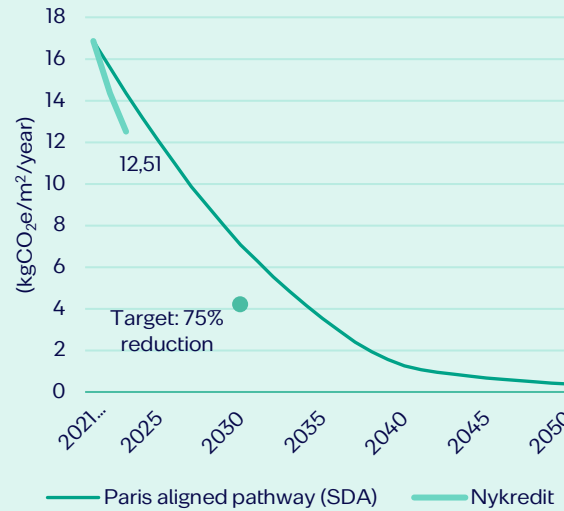
Progress on climate targets

The right-hand charts show progress on the emissions targets set by Nykredit in alignment with Science Based Targets initiative's (SBTi) methodologies. For these targets, the development from the original baseline to the 2030 target may be compared with the "Paris-aligned pathway". This applies to the targets set for owner-occupied dwellings, residential real estate, commercial real estate and Nykredit's operations.

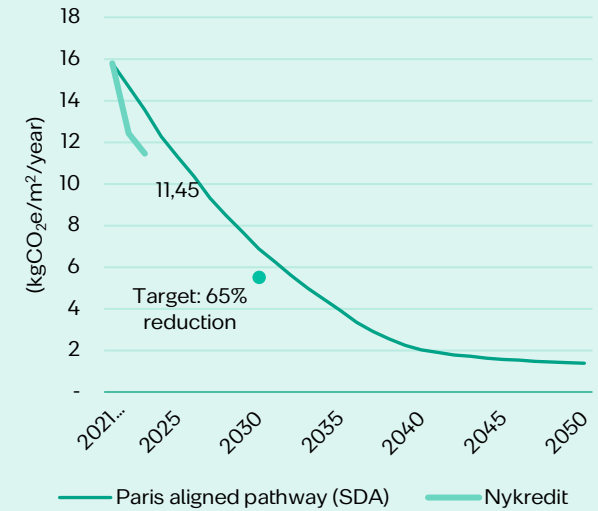
The emission intensity from owner-occupied dwellings and real estate financed by Nykredit has decreased at a rate that still suggests that the targets can be met. At the same time, the emission intensity is still below the emission pathway it should follow to be Paris-aligned. The reductions seen in 2023 were, above all, the result of the housing proportion of Nykredit's portfolio having become more energy-efficient and part of Nykredit's customers having replaced their oil- and gas-fired boilers with greener heat sources. Emissions from electricity production have also fallen. Conversely, emissions from district heating production have increased slightly compared to the previous year. This is also why the decrease in emissions is smaller than the corresponding decrease last year. This is especially true for residential properties, of which a large part have district heating.

Emissions from Nykredit's operations are, in practice, steadily decreasing on the way towards the target. However, the chart shows a sharp increase in 2022 and a subsequent sharp decline in 2023. This is because Nykredit purchased another type of carbon credits in 2022 and, contrary to expectations, has not been able to include these as green electricity. In 2023, Nykredit's new Power Purchase Agreement (PPA) came into force, which ensures the supply of newly produced green electricity. As a result, the chart again shows Nykredit's emissions from operations without emissions from the production of electricity. The fluctuation is expected to fully recover in 2024, when the effect of the PPA has been fully phased in.

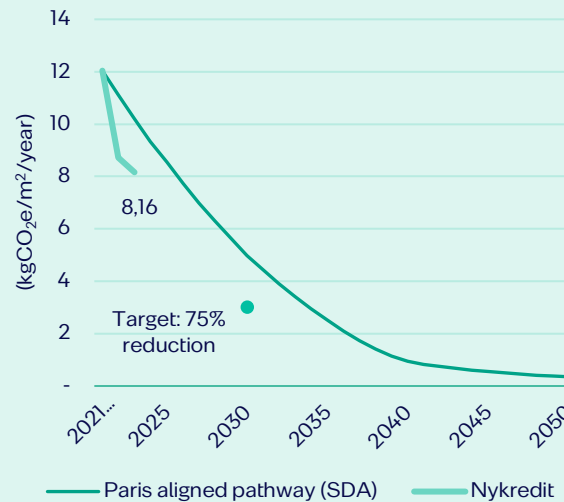
Owner-occupied dwellings



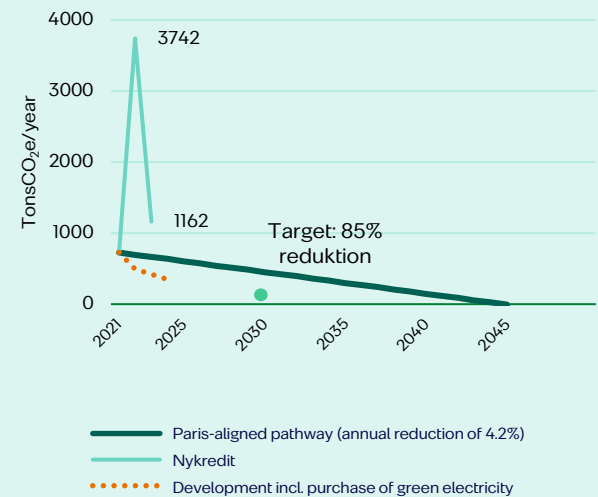
Office – retail



Residential real estate



Operations



For the agricultural portfolio, the target has been set in alignment with political targets in the area. The target is therefore policy-based and not science-based. Nykredit will update the target to a science-based method when data and methods allow. Emissions per DKK 1 lent from the agricultural portfolio are determined based on the total sector average for the agricultural sector provided by Statistics Denmark. This figure decreased slightly in 2023, and consequently, so did Nykredit's emissions. However, emissions still need to fall at a significantly faster rate in the coming years for the target to be met.

The carbon footprint of the portfolio emission intensity decreased from 5.3 tCO₂e/DKK million in 2022 to 5.4 tCO₂e/DKK million in 2023. As from 2021 the determination of the climate footprint has been expanded to include mortgage bonds and is therefore not directly comparable with the 2020 figure.

Progress on the supporting targets is available in the relevant sections in this report.



Our concrete actions

The key driver of our strategy of meeting our climate targets and reaching net zero by 2050 is to assist our customers in achieving truly sustainable change. In recent years, we have launched a long line of products, tools and initiatives aimed to support our customers' green efforts, and we are keenly integrating climate and other sustainability issues in our credit procedures, risk management etc. With the overall impact of these actions, we aim to ensure that Nykredit plays its part in attaining not only our own but society's ambitious goals.

Our strategy includes several different elements. We finance and offer advice on the green transition and make it easier and more affordable for our customers to make green choices – thanks in part to a green contribution from our majority shareholder, Forenet Kredit, which we employ to provide strong value propositions. We have many conversations with our customers about their green transition plans, and we exercise active ownership of investee companies. We make demands on our business customers to promote the green transition and address relevant risks.

We are, however, aware that we cannot solve the challenges alone. This is why we are developing our approach in close tandem with our customers, business and industry organisations, NGOs, authorities and other stakeholders. We enter into partnerships when this supports the green transition.

Nykredit's actions may be divided into four categories:

- **Value propositions.** We provide loans for and invest in assets that contribute to the green transition and offer green benefits that incentivise customers to make green choices.
- **Dialogue and active ownership.** We enter into proactive dialogue with customers about their green transition plans and need for financing. Active ownership of investee companies.
- **Requirements and terms.** We prepare policies, prices and product terms that reflect Nykredit's ambitions and climate-related risks.
- **Partnerships.** We cooperate with business and industry organisations, NGOs, authorities and other stakeholders.

The climate targets also serve as central guides in the decision-making process regarding our business strategy, risk management, credit policy and investment policy.

As a concrete example of this, Nykredit launched a new Fossil Fuels Policy in 2023 to ensure that Nykredit's financing and investments are Paris-aligned and aligned with recognised climate science as reflected in reports from the IPCC and the IEA, among others.

The progress of our strategy and actions is elaborated further in the following chapters.

New Fossil Fuels Policy

Our Fossil Fuels Policy sets the framework for the Group's lending to and investment in companies involved in the exploration, extraction or production of fossil fuels.

The policy builds on the International Energy Agency's (IEA) Net Zero Emissions scenario, from which it follows that no new coal mines or oil and gas fields can be developed and that coal must be phased out of energy production in all OECD countries by 2030.

The policy implies, among other things, that Nykredit:

- does not provide financing to companies involved in the exploration, extraction or production of fossil fuels – unless it involves separated green activities.
- generally excludes companies that expand their production in violation of the IEA's 2050 scenario from our investment universe. Following adoption of the policy, our exclusion list was expanded to include another 483 companies operating within the oil, gas or coal industries. Of these, we have so far had investments in 61 companies, and we are now in the process of divesting those investments. 14 oil and gas companies remain in our investment universe.

Read more in our Fossil Fuels Policy.

Selected initiatives



Owner-occupied dwellings



Real estate



Agriculture



Businesses



Investments

Value propositions – green choices made easier and more affordable

- Totalkredit: Initiative to replace oil- and gas-fired boilers
- Totalkredit's home energy check-up
- Totalkredit's energy calculator
- Totalkredit: collaboration with NRGi on heat pumps
- "Fire your boiler" loans
- Green savings account
- Green home loans
- Green car loans

- Green construction loans
- Green mortgage loans
- Interest discount on construction loans to public housing sector
- Partnership with Rambøll
- ESG Advisory

- Machinery financing
- ESGreen Tool (SEGES' climate tool)
- Fee-free withdrawal of land from agricultural use

- Green construction loans
- Green mortgage loans
- ESG Advisory
- Validated for SMEs
- Mortgage financing of solar panels, wind turbines and infrastructure
- Incept by Rambøll

- Funds carrying the Nordic Swan Ecolabel exempt from trading commission

Dialogue and active ownership

- Training of advisers
- Internal survey of how we put green transition on meeting agendas

- Training of advisers
- Internal survey, how we put green transition on meeting agendas

- Training of advisers
- Internal survey of how we put green transition on meeting agendas

- Training of advisers
- Internal survey of how we put green transition on meeting agendas

- Training of advisers
- Active ownership strategy – focus on largest carbon emitters
- Target for Paris alignment of companies in the portfolio

Requirements and terms

- No plans of imposing requirements on homeowners

- Climate score in credit assessments
- Transition plans expected of corporate clients in the future
- Requirements to be incorporated into future prices and/or terms

- Climate score in credit assessments
- Transition plans expected of corporate clients
- Requirements to be incorporated into future prices and/or terms

- Climate score in credit assessments
- New Fossil Fuels Policy
- Transition plans expected of corporate clients in the future
- Requirements to be incorporated into future prices and/or terms

- The Fossil Fuels Policy, which generally excludes companies that expand their production in violation of the IEA's 2050 scenario

Partnerships

- Government and sector partnerships on the phasing-out of oil- and gas-fired boilers
- Partnership with the Danish Energy Agency on the energy consumption calculator etc
- Partnership with NRGi on energy check-ups and heat pumps

- Validated
- Rambøll
- PropTech
- Partnership with Green Building Council
- Partnership with NRGi on energy check-ups for housing cooperatives

- SEGES: ESGreen Tool and climate training programme
- Partnerships with industry associations on transition plans (under development)

- Validated
- Rambøll

- Climate Action 100+
- Sector partnership on climate targets for equity funds

Overview of the most important customer-facing initiatives of Nykredit's action plan divided into main categories.

Greener owner-occupied dwellings

Lending for owner-occupied dwellings accounts for about two thirds of the Nykredit Group's total lending and about 20% of the loan portfolio's climate footprint. The Danish Council on Climate Change has on several occasions pointed to energy savings, heat source replacement and more electric cars as central elements in the green transition of Denmark. Homeowners therefore play a crucial role in the green transition of society as a whole and in Nykredit's ambition to reach net zero by 2050.

In 2022, Nykredit set emission targets for our portfolio of owner-occupied dwellings as well as two supporting targets; one for replacement of oil- and gas-fired boilers and one for the percentage of new car loans used to finance electric cars. These targets provide further direction for Nykredit's long-standing campaign. Thanks to a contribution from our majority shareholder, Forenet Kredit, we have launched a wide series of products and solutions that make it easier and more affordable for homeowners to make green choices, reduce energy consumption and greenhouse gas emissions from their homes and buy greener cars.

The path to net zero

Main elements of the transition of the Danish building stock include:

1. replacing individual fossil heat sources (oil- and gas-fired boilers) with green alternatives (district heating and heat pumps),

2. reducing energy consumption (and consequently also greenhouse gas emissions) through energy renovations, and
3. greener electricity and district heating supply, which reduces household emissions.

Nykredit's portfolio will be highly correlated with the general development in society. This is due to Nykredit's significant market position and because the transition towards greener electricity and heat generation will affect the Danish building stock in general and not only Nykredit's customers. Therefore, Nykredit's efforts are mainly targeted at helping individual homeowners make home energy renovations and replace their fossil heat sources as well as supporting the shift towards greener electricity and heat production through financing of renewable energy and the required infrastructure.

Transition of the Danish housing stock

2023 showed us that many of our customers still support the green transition and turn to the Nykredit Group to finance their green choices.

Rising energy prices in 2022 weighed on many homeowners and accelerated political initiatives aimed at motivating more homeowners to switch to renewable energy sources.

The fall in energy prices since the beginning of 2023 has eased the acute financial pressure on homeowners.

Today, activity is driven primarily by a desire to future-proof the home and counter future energy crises.

The revision of the Energy Performance of Buildings Directive will introduce a European target to boost the energy efficiency of residential real estate. This is expected to further accelerate the renovation of the housing stock over the coming years. Nykredit will help support the ambitions for more energy-efficient homes and guide customers through the transition.



Nykredit's targets

75%

reduction in emission intensity from owner-occupied dwellings (kgCO₂e/m²/year) by **2030 (baseline 2021)**

85%

of owner-occupied dwellings will have another heat source than oil- and gas-fired boilers by **2025**

50%

of new car loans should be for electric cars by **2023-2025**

Initiative to replace oil- and gas-fired boilers

Replacing fossil heat sources with green energy is a key element of the green transition of the housing stock and an efficient way to reduce its carbon footprint and to obtain a better energy label in many cases. And it is also an area where Nykredit can make a significant difference. We have offered Totalkredit customers replacing their old oil- or gas-fired boiler with a heat pump a cash contribution of DKK 10,000. This is possible thanks to our customer-ownership structure and contributions from Forenet Kredit. Totalkredit has also entered into a partnership with NRGi A/S for the supply of heat pumps, making it safe and easy for customers to replace their boiler with a heat pump.

In addition, Totalkredit has launched a special "Fire your boiler" loan on favourable terms, including no up-front fees for customers who replace their oil- or gas-fired boiler with a greener heat source. Similarly, Nykredit Bank has introduced a "Fire your boiler" bank loan. "Fire your boiler" is a partnership established between the government and Finance Denmark. If our customers switch to a heat pump, they may typically enjoy annual savings on their heating bill, while reducing their greenhouse gas emissions by up to 70%.

Since December 2020, 6,200 customers switching away from oil- or gas-fired boilers have received a cash contribution of DKK 10,000. Customers in 96 of the 98 Danish municipalities have received a cash contribution.

The share of owner-occupied dwellings with another heat source than oil- and gas-fired boilers in Nykredit's portfolio rose from 76% to 78.1% in 2023. In order to reach the target of 85% by 2025, the share must increase by 3.5 percentage points per year in the next two years.

Helping our customers choose energy renovation, heat pumps and electric cars

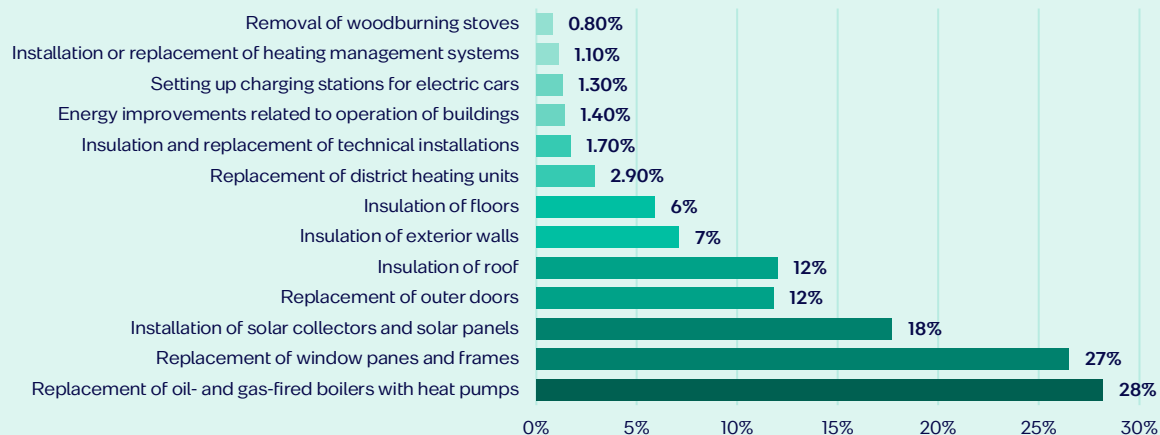
Nykredit Bank customers are offered a green home loan to finance energy efficiency improvements. The loan is offered free of up-front fees and at a very attractive interest rate. Since the loan was launched, Nykredit has mobilised financing for more than 3,200 energy efficiency improvements. Particularly, replacement of oil- and gas-fired boilers with heat pumps is a hit among customers. Other popular choices include replacement of window panes and frames and installation of solar panels.

At the beginning of 2023, we launched a green savings account for private home energy improvements or for buying an electric or hydrogen car at an attractive bonus interest rate for savings earmarked for green purposes.

Since then, 1,660 customers have created a green savings account with a total balance of DKK 190.1 million.

We also encourage our customers to choose an electric car when buying a new one. Relacing petrol and diesel cars with electric cars is a critical element on the path to a net zero society. And in this area, we have a unique opportunity of making an impact through our financing activities and dialogue with customers. We have set a clear target that 50% of all new car loans should be for electric cars by 2023-2025. This percentage by far exceeds the expected national average in the same period. In 2023, at 71%, Nykredit was significantly above target; the overall market average was 36%.

Energy renovation initiatives financed by green home loans (Grønt BoligLån)





Focus on social sustainability and financial inclusion

The energy crisis has highlighted the fact that irrespective of their wish to do so, not all homeowners can afford or are otherwise able to make home energy renovations or replace their heat sources. This particularly applies to homeowners who are prevented from making home energy renovations because of the low value of their home. The green transition should not exacerbate economic inequality, but rather contribute to promoting financial inclusion.

It is important that the green transition is not supported at the expense of social sustainability, inclusion and development across Denmark. Therefore, we have no plans of introducing restrictions when we accept new customers or expand the facilities of existing customers for the purpose of reaching our climate target. We believe that a sustainable future should be for all.

Nykredit helps customers make green choices



Potential for energy renovation

Energy check-up (Energitjek)

Totalkredit

Independent energy consultant performs inspection of a customer's home to identify potential for energy improvements and ordinary repairs – and to help the customer prioritise initiatives. Energy check-ups may include or exclude an energy label. Thanks to contributions from Forenet Kredit, customers whose homes have a low energy rating or were built before 2000 are offered a discount.

1,500 energy check-ups since 2021

Energy calculator (Energiberegner)

Totalkredit

Easy-to-use online calculator offers customers ideas and inspiration for energy improvements, allowing for both financial aspects and potential carbon savings.

510,000 energy calculations in 2020



Financing of energy renovation

Initiative to replace oil- and gas-fired boilers

Totalkredit

Thanks to contributions from Forenet Kredit, Totalkredit offers DKK 10,000 to customers if they replace their current oil- or gas-fired boiler with a heat pump.

6,200 voucher payouts since 2020

Green savings account (Grøn Opsparing)

Nykredit

Savings account for home energy improvements or for buying an electric or hydrogen car. The contribution from Forenet Kredit allows us to offer customers an attractive bonus interest rate on their savings if they are earmarked for green purposes.

1,660 customers have opened a green savings account since it was launched in early January 2023

Green home loans (Grønt BoligLån)

Nykredit

Loans to finance energy improvements. Thanks to contributions from Forenet Kredit, full-service customers of Nykredit Bank are offered these loans free of up-front fees at an attractive interest rate.

More than 3,100 customers have made home energy renovations financed by a green home loan

Discount on heat pumps

Nykredit

Discount on delivery and installation of heat pumps by OK and Energiland for full-service customers of Nykredit Bank.



Financing of green cars

Green car loan (Grønt Billån)

Nykredit

Loans to finance electric cars. Thanks to contributions from Forenet Kredit, full-service customers of Nykredit Bank are offered these loans free of up-front fees at an attractive interest rate.

6,443 green car loans

Greener owner-occupied dwellings



Societal challenges

Energy consumption in buildings makes up around 45% of Denmark's total energy consumption, and 18% of Denmark's total greenhouse gas emissions are related to energy consumption in buildings. The Danish Council on Climate Change has on several occasions pointed to energy savings and heat source replacement as central elements in the green transition of Denmark.

Energy savings lower energy consumption, irrespective of the source of energy. This will ease the transition towards 2050, as we will require less green energy to meet our need. Energy savings may also result in considerable carbon savings. Fossil heat source replacement reduces carbon emissions from private homes. Most of the carbon emitted from private homes stems from the around 100,000 oil-fired boilers and 400,000 natural gas boilers that exist in Denmark. This makes replacement of oil-fired boilers with heat pumps, for example, one of the initiatives with the largest impact in terms of carbon emissions. Besides people's homes, their cars are one of the large financial decisions that have a major impact on the climate. The carbon footprint of cars makes up around one tenth of Denmark's total carbon emissions, and zero- and low-emission cars only account for around 7% of all cars.



Nykredit's response

Nykredit wants to help inspire more homeowners to make choices that support a greener Denmark.

Nykredit and Totalkredit are behind almost 50% of all home loans in Denmark. Therefore, we assign high priority to supporting a reduction in energy consumption and greenhouse gas emissions from private homes. Aside from the climate impact, energy renovation may potentially increase the value of homes owned by Nykredit's and Totalkredit's customers and lead to lower energy bills and improved housing quality for individual homeowners. Nykredit and Totalkredit continue to further develop our products and advisory services to encourage more customers to make energy improvements in their homes.



Governance

The Head of Banking Development and the CEO of Totalkredit are in charge of targets and initiatives.

Policies

- Product Policy



Activities and achievements

Thanks to the financial backing of Forenet Kredit, Nykredit launched a number of initiatives that make going green easier and more affordable for our customers:

- More than 3,100 customers opted to finance their home energy renovations with a green home loan, particularly to replace their oil- or gas-fired boilers with heat pumps.
- In 2023, loans to finance electric cars accounted for 71% of total new car loans provided by Nykredit.
- Introduced Nykredit's green savings account at an attractive bonus interest rate on savings earmarked for green purposes.
- 1,660 customers opened a green savings account with a total balance of DKK 190.1 million.
- Introduced Green Mindset (Grønt Mindset) to give our personal customers the opportunity to tell us how much they value sustainability so that we can provide even better advisory services.

Joint efforts with the Totalkredit partner banks:

- Made 105,000 calculations using the energy calculator in 2023.
- Cash contributions of DKK 10,000 made by Totalkredit to 6,200 customers since December 2020.
- Completed 1,500 Totalkredit energy check-ups for customers since April 2021.
- Launched partnership with NRGi A/S on heat pumps in May 2023, making it safe and easy for customers to replace their boiler with a heat pump.
- Introduced a special "Fire your boiler" loan on favourable terms (no up-front fees) in May 2023 for customers who replace their oil- or gas-fired boiler with a greener heat source.
- Launched energy renovation learning modules for partner bank customer advisers.



Risks of negative impact on society:

Nykredit's lending to homeowners has a negative impact on society because of emissions from our customers' homes and cars.

Nykredit's risk

Lack of repairs, including energy renovation, of our customers' homes may reduce the value of their property and, consequently, also the security backing our mortgage loans. Climate change increases the risk of flooding of low-lying homes and buildings, and, with that, the risk that the value of the security behind our mortgage loans in particular is reduced.



Ambitions for 2024

- Continuously encourage more homeowners to make energy improvements to their homes and to choose more climate-friendly cars.
- Build green skills among our personal advisors – including by involving customers' emphasis on sustainability.
- Seek more opportunities for providing products and advisory services that help and motivate our customers and make it easy to go green.

Key figures and targets

Greener owner-occupied dwellings

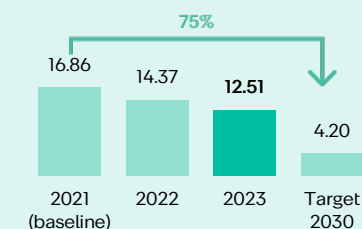
807

Lending covered (DKK billion)

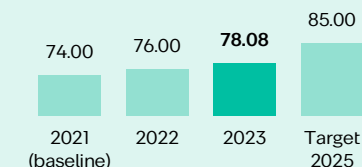
581.00

Emissions financed (ktCO₂e)

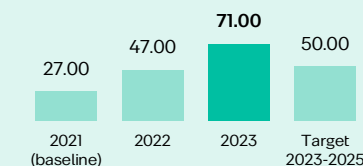
Emission intensity (kgCO₂e/m²/year)



Owner-occupied dwellings with another heat source than oil- or gas-fired boilers (%)



Share of new car loans for electric cars (%)



Greener real estate

The green transition requires large-scale investments in climate-friendly buildings. Existing buildings need to undergo energy renovation, and new buildings should be as climate-friendly as possible. Lending for residential and commercial real estate makes up around 25% of Nykredit's total lending and around 6% of the climate footprint of Nykredit's loan portfolio. At the same time, Nykredit holds a large market share in Denmark.

The revision of the Energy Performance of Buildings Directive may trigger an increased demand for energy renovations, which may have a major impact on the Danish real estate sector. The real estate sector also has a responsibility to act, and Nykredit finds that customers do embrace their responsibility and increasingly consider a focus on sustainability – both from a climate and a social perspective – as a sort of licence to operate. Nykredit is therefore working to make it easier for the real estate sector to make green investments in new and existing properties across Denmark.

In 2022, Nykredit set carbon emission reduction targets for residential real estate (public, cooperative and rental housing) and commercial real estate. These years, targets are being translated into concrete initiatives and support the direction that Nykredit has been working towards for several years. This path is reflected in several initiatives aimed at motivating our customers to get involved in the green transition.

This means that we will offer differentiated prices and terms to a greater extent based on a property's energy label – the higher the energy label, the more favourable the loan terms. At the same time, customers are encouraged to actively energy renovate and improve their properties. This energy label-based differentiation strategy is continuously being reviewed and tested in close cooperation with our customers and industry organisations.

The path to net zero

Key elements in the transition of the Danish building stock include replacement of fossil heat sources, energy efficiency improvements and greener electricity and district heating supply. Nykredit's portfolio will be highly correlated with the development in society as a whole due to Nykredit's significant market position and because the transition towards greener electricity and heat production affects the general building stock and not Nykredit's portfolio specifically.

Therefore, Nykredit's efforts are keenly focused on supporting and accelerating the transition of existing buildings already ongoing in large parts of the sector and on supporting the shift towards greener electricity and heat production by providing funding for renewable energy and the necessary infrastructure.

Focus is also needed on the embodied carbon deriving from the construction of a building. Embodied carbon is not included in Nykredit's statement today in accordance with the standards of Finance Denmark's CO₂ model etc. However, the new building regulations include a life cycle perspective, which means that from 2023, large new builds may not emit more than 12 kg of CO₂e/m² per year (including construction emissions). In the longer term, it will also be necessary to focus on the embodied carbon resulting from the construction of the building.



Nykredit's targets

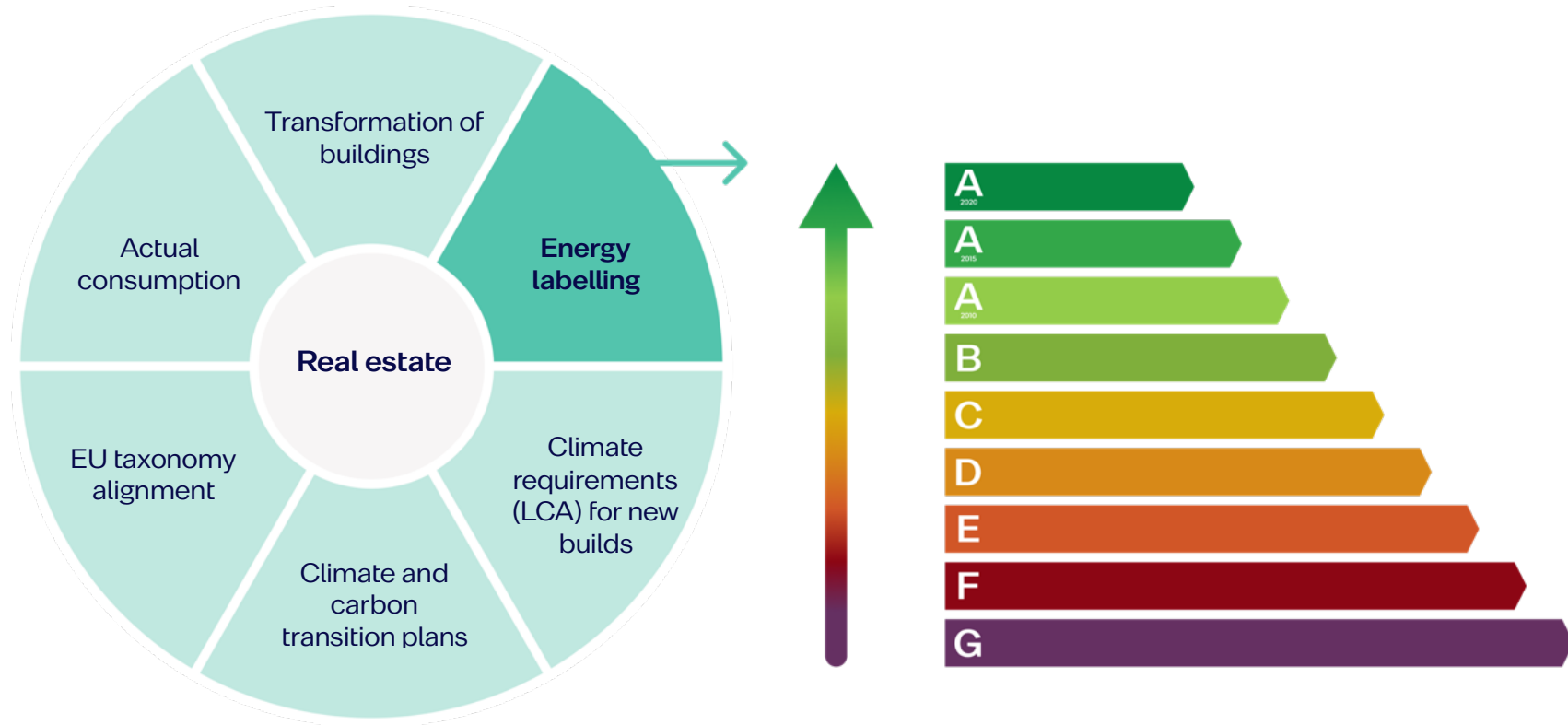
75%

reduction in emission intensity from residential real estate (kgCO₂e/m²/year) by **2030 (baseline 2021)**

65%

reduction in emission intensity from commercial real estate (kgCO₂e/m²/year) by **2030 (baseline 2021)**

Nykredit promotes transition of the housing stock



Nykredit wants to create incentives for energy renovation of existing real estate

Mortgage loans and green loans to fund the green transition

Mortgage lending is a low-cost and secure source of funding for financing some of the assets necessary to drive the green transition.

For example, around 38% of all commercial properties backing Nykredit's loan portfolio have a valid A or B energy label, and we continually finance new energy-friendly buildings.

The requirements for what is considered a green property are changing over time and are defined in, for example, the EU taxonomy for sustainable activities. Nykredit aims to ensure that our financing criteria are in alignment with regulation and market standards at all times.

Focus on specific transition plans

The specific plans of individual real estate customers for reducing greenhouse gas emissions from their portfolio properties serve as a useful indicator of whether the customer is addressing the risks brought about by the green transition.

Therefore, we are engaging more closely with our customers and have stricter credit assessment procedures, placing particular emphasis on whether our largest customers have such plans in place. Based on the total scope of plans among the real estate customers in our portfolio, we can assess whether Nykredit is moving towards a lower-emission portfolio. We go one step further by helping our customers make plans for specific energy renovation projects and for the transition of their businesses. Through our partnership with Rambøll, our real estate customers are offered advice on how to climate and energy optimise their properties as well as help with documentation and reporting.



Rambøll and Nykredit join forces to accelerate the green transition of real estate

Real estate plays a crucial part in delivering decarbonisation in Denmark. Therefore, Rambøll and Nykredit have entered into a partnership to make it easier for the real estate sector to make the right green decisions for their properties.

During 2023, Nykredit's largest real estate customers have benefitted from Rambøll's expertise in climate and energy optimisation of properties. At the same time, Nykredit has provided financing and advice on trends viewed from a financial perspective. In 2023, the partnership demonstrated the great potential of an integrated approach to financing and sustainability advice. This unique value proposition will be expanded in the coming years to ensure that Nykredit's customers receive the support required to complete the transition of their properties.



Greener real estate



Societal challenges

Energy consumption in buildings makes up around 45% of Denmark's total energy consumption, and 18% of Denmark's total greenhouse gas emissions are related to energy consumption in buildings. Existing buildings need to undergo energy renovation, and new buildings should be as climate-friendly as possible.

Focus is also needed on the embodied carbon in the construction of a building as well as on recycling of materials and buildings.



Nykredit's response

Nykredit is a committed provider of green transition financing for public housing organisations, housing cooperatives and property investors. Because of our business model, we have special focus on energy renovation of commercial properties and the construction of new, climate-friendly commercial properties funded by, for instance, green bonds and business loans. Nykredit has taken the initiative to differentiate the loan terms for rental properties based on their energy labelling. In addition, favourable loan terms are offered for properties for which energy efficiency improvements can be documented. Although focus is on energy labelling, Nykredit plans to gradually incorporate more climate-friendly criteria to promote the green profile of properties.



Governance

Responsibility for initiatives relating to the largest commercial properties rests with the Head of Corporates & Institutions. Nykredit's Green Bond Committee is responsible for maintaining and updating Nykredit's Green Bond Framework. Responsibility for the day-to-day handling of the framework, including monitoring of the loans provided as security for Nykredit's green bonds, lies with Group Treasury.

Policies

- Credit Policy
- Green Bond Framework 2023
- Valuation Policy



Activities and achievements

- Granted an interest rate discount on construction loans for energy renovation and new building of public housing backed by a contribution from Forenet Kredit.
- Granted contributions from Forenet Kredit earmarked for energy check-ups for housing cooperatives via NRGi.
- Tested differentiation model with the largest real estate customers.
- Entered into a partnership with Rambøll on joint solutions for the Danish real estate sector.
- Completed training and upskilling of our colleagues.
- Integrated ESG factors in Nykredit's credit assessment of business customers.



Risks of negative impact on society

Real estate financed by Nykredit may have a negative impact on the climate and the environment caused by energy consumption, greenhouse gas emissions and other factors. Operating a property company may also involve a risk of poor working conditions, breach of human rights in supplier chains etc.

Nykredit's risk

Lack of repairs, including energy renovation, of our customers' homes may reduce the value of their properties and, consequently, also the security behind our mortgage loans. Climate change increases the risk of flooding of low-lying buildings, and, with that, the risk that the value of the security behind our mortgage loans in particular is reduced. Climate change and the green transition may also affect the business models and operations of property companies. This in turn results in new risks and opportunities, and, consequently, it is only natural and necessary to look at the customers' ESG positions as part of our credit assessment.



Ambitions for 2024

- Continue to motivate our customers to improve buildings, optimise operating costs and increase the value of the buildings.
- Continue to work closely with the industry to create a model that incentivises renovation and the construction of greener real estate.
- Continue to upskill colleagues to improve the quality of our advisory services and risk management.

Key figures and targets

Climate footprint, real estate

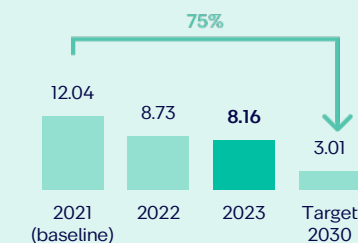
256

Lending covered (DKK billion)

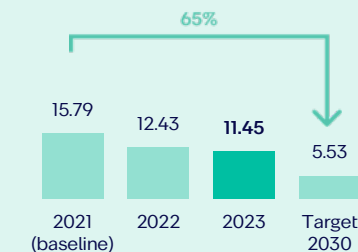
156

Emissions financed (ktCO₂e)

Emission intensity, residential real estate (kgCO₂e/m²/year)



Emission intensity, commercial real estate (kgCO₂e/m²/year)



Greener agriculture

The Danish agricultural sector sets ambitious climate targets, and society places demands on the green transition of agricultural and food production. As one of the largest lenders to the agricultural sector, Nykredit supports these ambitious targets. Lending for agriculture accounts for about 6,7% of the Nykredit Group's total lending and about 58% of the climate footprint of the Group's loan portfolio.

We make it easier and more affordable for more farmers to contribute to a greener Denmark, and we integrate sustainability into our advisory services and credit assessments, just as we are part of a partnership aiming to prepare farmers for the green transition through increased use of data.

The path to net zero

The green transition of agriculture is one of the biggest challenges to ensuring carbon neutrality in Denmark by 2050. According to the Danish Centre For Environment And Energy (DCE), a central unit under Aarhus University, the agricultural sector accounted for as much as 34% of total greenhouse gas emissions in terms of CO₂ equivalents in 2023. A broad political agreement on the green transition of Danish agriculture from 2021 set a target of a 55-65% reduction of emissions from the sector by 2030. The primary focus of the agreement is to achieve the necessary reductions through higher efficiency,

technological development and withdrawal of low-lying land areas from agricultural use.

In light of Nykredit's large market position, greenhouse gas emissions from Nykredit's agricultural loan portfolio are expected to be closely correlated with the general development in society. This is also why Nykredit's 2030 target for the agricultural area is linked directly to the political objective. Our efforts include driving progress, financing green initiatives at individual farms and offering solutions that may help support the sector's overall green agenda.

Sustainability aspects in credit assessments, advisory services and products

A strategic focus on sustainability has increasingly become necessary in order to ensure robust and financially sustainable farms. This lies at the core of Nykredit's advisory services to agricultural customers, which aim to add value to the individual customer, local communities and the overall green transition. We find it important and expect that farmers are aware of their climate impact, biodiversity, the environment and working conditions, just as they must have plans for sustainable development.

From 2024, we will also ask our largest agricultural customers for specific plans on how to make their farms more sustainable. We will do this if, for example, they want to take out new financing or refinance existing loans. We are starting with the largest farms, and in the coming years, we will increase our expectations for a climate action plan. In this way, we want to help our customers take the next ESG step to better meet future demands in the area.

The individual farmer's approach to sustainability issues forms an integral part of our credit assessments. Nykredit also supports farmers' transition by making green choices easier and more attractive. In 2023, among other things, we extended our offer of low-cost financing of technology.



Nykredit's targets

45-55%

reduction in emission intensity from agriculture (tCO₂e/DKK million) by 2030 (baseline 2021)

Free access to climate tool promotes visible action plans

ESGreen Tool is a climate tool jointly developed by our majority shareholder, Forenet Kredit, and SEGES, a knowledge and innovation house of the agricultural sector, which aims to provide farmers with tools and knowledge to be used to find a viable and documented effective path forward in the green transition. The tool is a supplement to sector-specific initiatives launched by, for instance, Arla and Danish Crown to their milk and meat producing members.

We give all agricultural customers free access to *ESGreenTool* if they prepare a climate action plan. We can do this thanks to our mutual ownership. A climate tool of this kind is a prerequisite for the individual farmer to document the effect of the farmer's climate initiatives and find out how the farm's emissions can be reduced as much as possible. Therefore, we want to make it easy and attractive for our customers to use the tool so that they can initiate a climate action plan and make their green efforts visible.



Fee-free withdrawal of land from agricultural use

Nykredit wants to be an active partner in connection with withdrawal of land from agricultural use as well as land reparcelling, seeing as withdrawal of land from agricultural use is one of the most effective ways to reduce carbon emissions in agriculture, and a contribution from Forenet Kredit provides for a more affordable process. Contributions had been awarded to 15 agricultural customers by the end of Q3/2023.

Afforestation throughout Denmark

2023 brought major changes for Nyskovfonden, and in collaboration with "Vild Med Vilje" (Intentionally Wild) we developed a so-called nature model. With this model, we hope to give landowners concrete tools to integrate biodiversity considerations into their afforestation going forward.

Over the past year, we have completed two application rounds, and even though interest remains high, we are observing reluctance among several landowners to plant forests. This can be attributed to the possible introduction of a carbon tax as well as the new public land assessments expected to arrive soon. In its short lifetime, Nyskovfonden has already made grants to 97 afforestation projects, covering an area of around 285 hectares across Denmark.

The new forests will bind an estimated 2,850 tonnes of CO₂e annually*. Interest in Nyskovfonden has been high since the first approx 10,000 trees were put into the ground in April 2021. Private landowners throughout Denmark have approached Nyskovfonden and expressed great interest in afforestation on their land. In 2023, Nyskovfonden also planted forest in collaboration with, among others, FDF, the Evangelical-Lutheran Church in Denmark and a supportive housing facility that wants to benefit from the amenity value provided by a forest.

Nyskovfonden has invited other businesses to contribute to our joint efforts to plant more trees in Denmark in the years to come. To this end, Nyskovfonden has launched a model that allows businesses to support afforestation locally.

Specifically, Nyskovfonden has allocated DKK 500,000 to forest projects on Bornholm and is looking for business partnerships for these projects. The ambition is for Nyskovfonden to become an "exchange bureau" that makes it possible for companies to plant trees locally.

*One hectare of healthily growing forest can bind up to 10 tonnes of CO₂e annually, depending on the type of forest. Source: Vivian Kvist Johannsen PhD, Senior Researcher, Head of Division, Forest, Nature and Biomass, the Department of Geosciences and Natural Resource Management, University of Copenhagen.

Together we build knowledge, plant trees and make a difference

Everyone at Nykredit having completed our Basic Sustainability Training 2.0 has planted a tree via Nyskovfonden in 2023. The ambition is for our colleagues to both acquire important knowledge about sustainability and at the same time contribute to a greener Denmark through afforestation.

In 2024, a new small forest will sprout thanks to the trees planted by our colleagues. We believe that actions create change. Therefore, our aim is not only to learn, but also to take action to create a more sustainable future.

It is important that our colleagues also contribute actively to achieving Nyskovfonden's purpose. For every new colleague who joins us, five trees are donated to Nyskovfonden as a welcome gift. This way, we jointly support Nyskovfonden and make a difference – one colleague at a time.

Number of colleagues who completed the sustainability training modules in 2023: 2.796

About Nyskovfonden

Nykredit, Forenet Kredit and Østifterne launched Nyskovfonden in 2020 – a foundation charged with the task of promoting forestry Denmark and thereby binding greenhouse gas from the atmosphere. Trees absorb greenhouse gas, and when we plant more trees, we contribute to reducing the climate footprint of society.

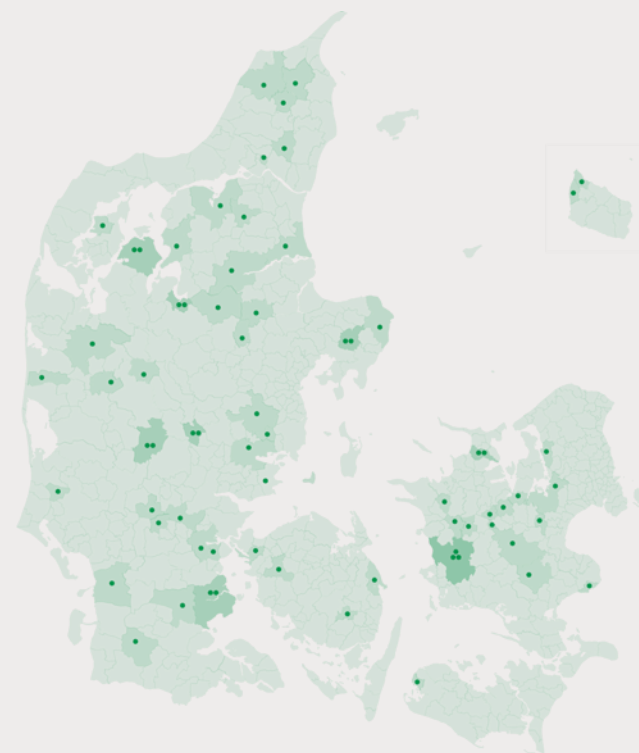
Nyskovfonden grants financial support for afforestation projects, primarily to private landowners, parish church councils and local waterworks throughout Denmark.

The foundation's objective is to plant 5,000 hectares of new forest. The funding will cover both planting and care of the trees for three years. All forests are beneficial to the climate. It is a requirement that the forest areas are registered as forest reserve for at least 100 years.

More forest areas in Denmark also offer other advantages such as recreational values, protection of water reservoirs and production of building materials for long-term storage of greenhouse gas.

Read more at www.nyskovfonden.dk.

Afforestation projects supported by Nyskovfonden by postcode



NYSKOVFONDEN

Greener agriculture



Societal challenges

Danish agriculture is a high-tech, energy-efficient sector compared with those of other countries, but accounts for over 20% of total greenhouse gas emissions in Denmark. For this reason, there is a large need for the development of new solutions and investment in more sustainable production methods. The sector has set its own target of carbon neutrality by 2050, and a broad-based political agreement has been concluded for specific reduction targets for greenhouse and nitrogen emissions to be reached by 2030.



Nykredit's response

Nykredit wants to help guide more farmers into making choices that support a greener Denmark, and we will be working with the agricultural sector to reach the political goals and the ambitious 2050 target. Therefore, our advisory services and financing should promote the sustainable development of individual farms.

We find it important and expect that individual farmers are aware of the climate impact as well as other sustainability aspects of their activities, such as biodiversity, the environment and working conditions, just as they must have clear plans for further development. This is why we support the development and integration of higher-quality sustainability data, which will form the basis for action. At the same time, the individual farmer's approach to sustainability issues forms an integral part of our credit assessment.



Governance

Responsibility for efforts relating to greener farms rests with the Head of Banking Business Development.

Policies

- Credit Policy



Activities and achievements

- Extended the offer of machinery financing backed by a contribution from Forenet Kredit.
- Introduced fee-free withdrawal of land from agricultural use throughout Denmark.
- Held customer events on climate measures throughout Denmark in collaboration with SEGES and Forenet Kredit.
- Awarded Nykredit's climate and sustainability prizes for the second time, in collaboration with the Danish Agriculture & Food Council and Forenet Kredit. The prizes are targeted at seasoned farmers as well as young, less seasoned farmers.
- Ensured upskilling of all agricultural advisers in the area of sustainability through webinars and increased the quality of our advisory services.



Risks of negative impact on society

Farms financed by Nykredit may have a negative impact on the climate and the environment through their emissions of greenhouse gasses, nitrogen, plant protection products etc, and farm production may involve a risk of poor working conditions. Also, the agricultural sector plays a significant role in Denmark outside of the large cities, and therefore, the green transition may have a negative impact, economically and socially if farms are closed down and jobs are lost.

Nykredit's risk

In terms of climate, the agricultural sector is a high-risk area, and Nykredit's exposure here is significant. The green transition of the agricultural sector may have an impact on the financial situation of farms that do not meet the mounting requirements and expectations, and of farms that cannot pass additional costs (such as carbon taxes) of the green transition on to the consumers.



Ambitions for 2024

- Offer free access to the ESGreenTool to all farms thanks to a green contribution from Forenet Kredit.
- Expectations for large farms to deliver climate action plan.
- Host customer events with a view to sharing knowledge about possible measures in collaboration with other stakeholders in and around the agricultural sector.
- Hold webinars for customers on the preparation of climate action plan.
- Further develop our ESG assessments, using quantitative data etc.
- Ensure additional upskilling of colleagues so that we strengthen the quality of our advisory services and risk management.
- Implement targeted efforts to ensure data transfers to Nykredit.
- Together with the agricultural sector, improve our skills in relation to preparing transition plans.

Key figures and targets

Carbon footprint, agricultural properties

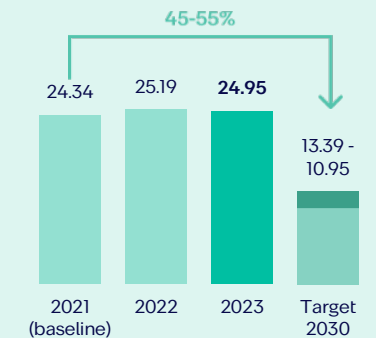
82

Lending covered (DKK billion)

2,052

Lending covered (DKK billion)

Emission intensity (tCO₂e/DKKm)



Greener businesses

The green transition requires massive investments in renewable energy and infrastructure, the development of green solutions and corporate initiatives that may reduce greenhouse gas emissions. For example, in 2020, the financial sector's climate partnership estimated that businesses' investment need in relation to electricity generation and distribution, energy efficiency and green industrial transition etc will amount to at least DKK 350 billion towards 2030. This will require financing, which Nykredit can provide. Therefore, we are constantly developing our core business, mortgage lending, as well as our other products and advisory services to best support our customers in their transition.

At the same time, our credit assessment of business customers provides the basis for our dialogue with the individual customer. This allows us to understand how the business is addressing the challenges and opportunities arising from climate change and other sustainability-related issues.

Green Bond Framework

Mortgage lending is a low-cost and secure source of funding for financing some of the assets necessary to drive the green transition. Therefore, we are constantly exploring new ways of supporting the green transition through mortgage lending. Also, we offer our customers green bonds for lower-cost financing of green assets.

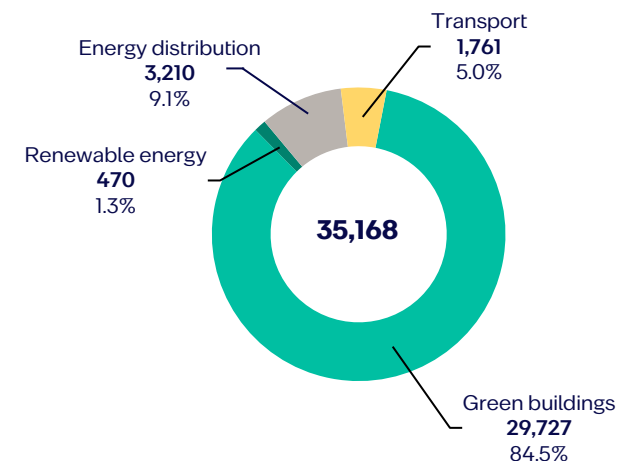
Green bonds serve as investors' guarantee that proceeds from the sale of bonds are earmarked for financing of green assets, which often makes for better borrowing rates.

Our Green Bond Framework defines which loans are eligible for financing using green bonds. These include energy renovation of real estate and the development of renewable energy and energy distribution. In 2023, we updated our Green Bond Framework, which now makes it possible to finance a much wider variety of activities using green bonds, including a wider range of green technologies.

At the same time, we adjusted the criteria defining which specific loans are eligible for green financing, bringing them in close alignment with the EU taxonomy's definitions of green activities. Nykredit's Green Bond Investor Report includes data on the environmental impact of green bonds.

Green financing

Lending funded by green bonds (DKK million)



Mortgage and bank loans under Nykredit's Green Bond Framework, by asset type.

Energy and infrastructure

Expanding energy and infrastructure assets is essential in Denmark's transition towards reaching the political targets by 2030. Renewable energy and infrastructure are catalysts for the transition process across sectors and a key focus area where Nykredit wants to make a difference. Energy and infrastructure have long been a focus area for Nykredit. Nykredit has been active in financing energy and infrastructure projects for more than ten years.

Nykredit views investment in renewable energy technologies, distribution systems and alternative energy sources as part of the solution to the current energy crisis. These investments, including in technologies such as solar energy, wind energy, district heating etc, play a crucial role in creating a more independent energy sector better prepared to counter any market shocks caused by external factors.

In 2023, Nykredit launched various initiatives to identify how Nykredit can contribute to the expansion of renewable energy technologies in both the short and long term. Renewable energy technologies in Denmark hold huge potential for expansion, which may contribute to the overall green transition in Denmark and abroad. If we offer the right financing and guidance, we may help drive the expansion and thereby make a valuable contribution to a key transition area through our products and financing solutions.

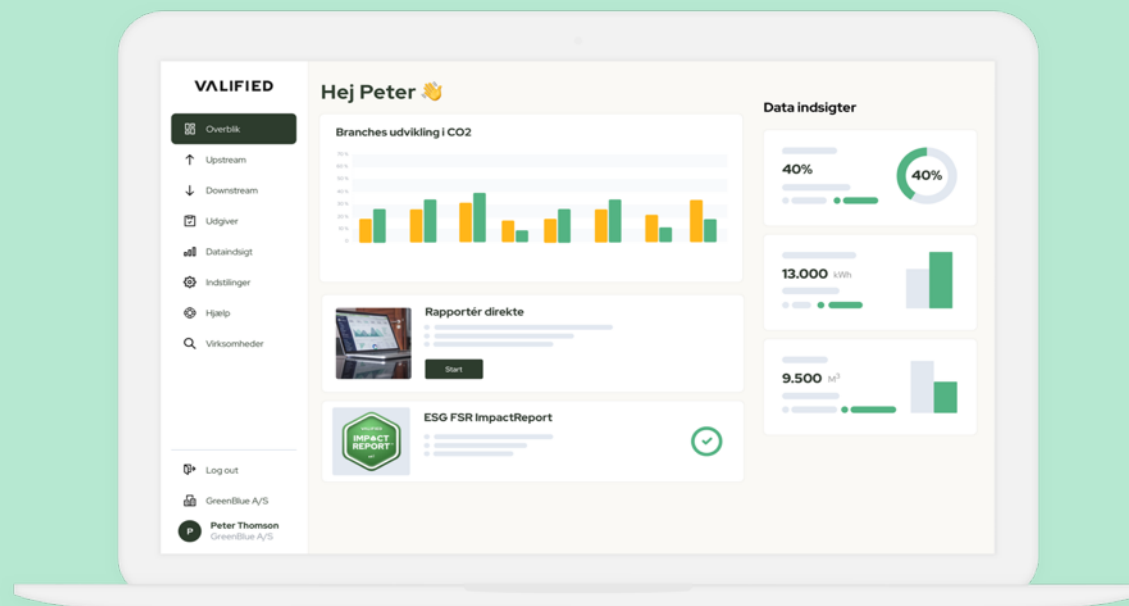




Reporting tool helps SMEs manage ESG data

In collaboration with Valified, Nykredit offers customers access to a digital reporting tool. The tool makes it simple and easy for small and medium-sized enterprises (SMEs) to collect and report on ESG data and thereby meet the still higher sustainability reporting requirements imposed by authorities and by the customers they do business with.

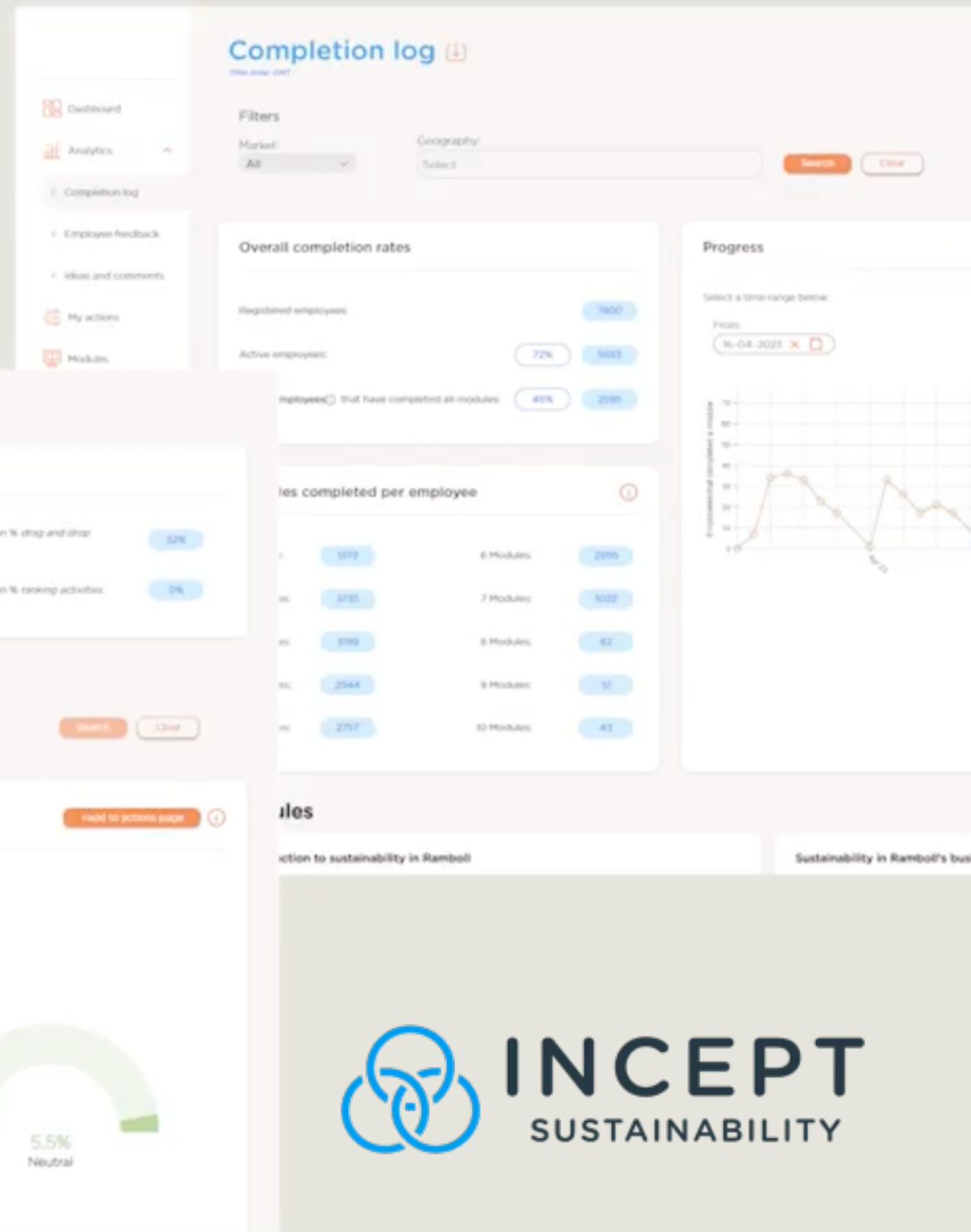
All our frontline business banking colleagues were to complete Finanssektorens Uddannelsescenter's course in "sustainable customer dialogue" by end-2023.



Learning platform on sustainable transition and business development for SMEs

Together with Rambøll, Nykredit has developed Incept, a digital learning platform to be accessed by our customers. Incept supports ESG management in SMEs with theme-based knowledge and relevant tools to navigate the sustainable transition. This includes an introduction to common ESG concepts and tools for conducting a materiality analysis and preparing a transition plan.

The modules are launched in step with new legislation to ensure that businesses are kept up to date on the latest requirements and trends in area.



Greener businesses



Societal challenges

Denmark has set an ambitious target of reducing its greenhouse gas emissions by 70% by 2030 compared with the 1990 level. This will require massive investments in the green transition. For example, in 2020, the financial sector's climate partnership estimated that Danish businesses' investment need in relation to electricity generation and distribution, manufacturing energy efficiency, green industrial transition etc will amount to at least DKK 350 billion towards 2030.



Nykredit's response

Nykredit is a committed provider of green transition financing for large and small businesses. We finance infrastructure to promote the green transition, renewable energy and a series of other green assets. Together with our business customers, we are finding ways to contribute positively to the green transition. We will assist our customers in identifying suitable transition initiatives and encourage change through advice on and financing of initiatives that develop and support the transition of society and the individual businesses. Finally, our portfolio management and credit assessments take into account sustainability-related opportunities and risks as well as the strengths and weaknesses of the individual customers.



Governance

Responsibility for initiatives relating to the largest business customers rests with the Head of Corporates & Institutions. Nykredit's Green Bond Committee is responsible for maintaining and updating Nykredit's Green Bond Framework. Responsibility for the day-to-day handling of the framework, including monitoring of the loans provided as security for Nykredit's green bonds, lies with Group Treasury.

Policies

- Credit Policy
- Fossil Fuels Policy
- Green Bond Framework 2023



Activities and achievements

- Assisted a number of corporate customers in strengthening their ESG profile and rating.
- Entered into dialogue with companies about ESG reporting tool developed in collaboration with Validated.
- Integrated ESG factors in Nykredit's credit assessment of business customers.
- Launched a green transport leasing proposition.
- Developed ESG learning platform together with Rambøll.
- Provided sustainability training to all business banking advisers, including Finanssektorens Uddannelsescenter's course in "sustainable customer dialogue".
- Updated the Green Bond Framework to make more activities eligible for green financing and the financing criteria even more aligned with the EU taxonomy.



Risks of negative impact on society

Businesses receiving loans from Nykredit may have a negative impact on the climate and the environment caused by energy consumption, greenhouse gas emissions and other factors. Operating a business may also involve a risk of poor working conditions, breach of human rights in supplier chains etc.

Nykredit's risk

Climate change and the green transition may affect enterprises' business models, production and markets to a greater or lesser extent. This in turn results in new risks and opportunities, and, consequently, it is only natural and necessary to look at the customers' ESG positions as part of our credit assessment.



Ambitions for 2024

- Further develop our ESG assessments, using quantitative data etc.
- Develop concepts and solutions that may help businesses on their ESG journey and provide financing for the green transition.
- Expand the use of the ESG learning platform in collaboration with Rambøll to improve SME customers' ESG knowledge and methodology and enable learning in line with the development of the EU taxonomy.
- Further develop financing solutions for customers in the area of energy and infrastructure.



Key figures and targets

Climate footprint, businesses

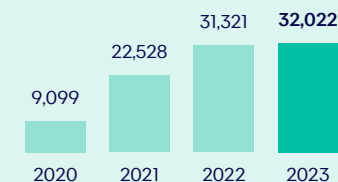
83

Lending covered (DKK billion)

733

Emissions financed (ktCO₂e)

Total volume of green bonds (DKK million)



Sustainable investments

Our ambitions and customer-ownership structure

Nykredit is customer-owned. Taking responsibility for wider society and creating long-term value for our customers is an important part of our DNA. We are fully convinced that investing sustainably is inseparable from our aim of delivering strong, long-term investment returns to our customers.

We have set ambitious climate targets and implemented a new Fossil Fuels Policy

Nykredit has set ambitious climate targets for investments to be aligned with the transition required to meet the objective of the Paris Climate Agreement. In 2021, Nykredit joined the Net Zero Asset Managers Initiative, and we are now committed to making the Group's investment portfolio climate neutral by 2050. Later that year, Nykredit published an ambitious target of reducing the emission intensity across asset classes by 60% from 2020 to 2030. For this reason, we are intensifying our efforts to ensure further long-term decarbonisation of Nykredit's investments through the following actions:

- Active ownership of high-emission companies
- More green investments
- Climate-related benchmarks
- Exclusion of companies without a reliable, Paris-aligned transition plan.

During 2023, we further sharpened our focus on the green transition by expanding our Sustainable Investment Policy with the Nykredit Group's new Fossil Fuels Policy.

Prior to the implementation of this policy, Nykredit had for several years, alongside multiple other investors, engaged with oil, gas and coal companies in Nykredit's portfolio to encourage them to work towards a more sustainable future. This has been at the core of our active ownership. Against this backdrop, we have previously divested companies with significant revenue exposure to coal, unconventional oil and gas (tar sands etc) as well as Arctic drilling. Our efforts build on the Paris Climate Agreement and recognised climate science.

With new data, we can now identify companies that conflict with the IEA (International Energy Agency) scenario, which means companies expanding and developing new oil and gas fields. Unfortunately, the latest data show that a large number of energy companies are involved in projects that are not in line with the IEA's 2050 scenario. As a consequence of that, we will in future exclude companies that expand their activities in contravention of the IEA's 2050 scenario. This means that we have expanded our exclusion list with more than 400 companies operating within the oil, gas or coal industries.

Of these, we have had investments in 61 companies, and we are now in the process of divesting these positions.

Latest news on the implementation of the EU's Disclosure Regulation

In March 2021, new EU legislation on sustainability-related disclosures entered into force: the Sustainable Finance Disclosure Regulation (SFDR). The SFDR lays down a set of sustainability disclosure rules applicable to companies – both at a company-specific level and at a product level. The rules are intended to provide investors with improved sustainability disclosures, including on the proportion of investments that qualify as sustainable under the EU taxonomy. The EU's Taxonomy Regulation defines activities that qualify as sustainable – read more in "A greener Nykredit" on page 66.

We actively incorporate taxonomy-alignment into our products and continuously collect necessary data. The proportion of activities that qualify as taxonomy-eligible varies across markets.

We have estimated that, across markets, investment opportunities that may potentially qualify as taxonomy-eligible account for 21.5%. This means that only this part of the total investment opportunities potentially qualify as sustainable under the EU taxonomy.

According to our estimates, 8.5% of our investments qualified as taxonomy-aligned at the turn of the year. These estimates include both the first two and the four most recent environmental objectives. Figures are, however, all based on assessments made by our ESG data partner MSCI and, contrary to our statement in the Appendices at the end of this Report, on reported, but also estimated, data. Note that Nykredit is to report for the first time on the complete trading book for the financial year 2025 in the same way that we report on our loan portfolio for the first time this year, see in the Appendices at the end of this Report.

Nykredit informs our customers about the share of sustainable investments in our investment funds. For an investment to qualify as sustainable, it should not only contribute to a climate and environmentally friendly development; it should also meet the governance requirement and respect the "do no significant harm" principle. You can read more about Nykredit's management of the principal adverse impacts of investments [here](#).

Nykredit has identified the following five criteria aimed to support sustainable development:

1. Positive contribution to the UN's 17 Sustainable Development Goals (SDGs); or
2. More than 20% of income comes from products that contribute to sustainable development; or
3. More than 20% of income comes from activities that contribute to the EU's sustainability targets; or
4. A verified Science Based Target of reducing environmental impact; or

5. A board of directors consisting of at least 40% women; only 20% for developing countries.

Nykredit will regularly report on the share of investments in the individual portfolios that meet these sustainability requirements. At the same time, the majority of our funds have each set specific targets for the expected minimum share in the fund. For funds having set a sustainability target in addition to their performance target, the target will be 100%. You can read more about our methodologies on our website.

We apply sustainability assessments to every investment

Every time Nykredit considers a potential investment, we apply sustainability assessments to understand the risks and opportunities related to ESG factors. The sustainability analysis gives us an indication of whether a company is moving in a more sustainable direction. This means that a company with a high sustainability performance and a company with a lower sustainability performance, but which is on a positive development track, may both be attractive investments. Since 2012, we have integrated sustainability analyses into our investment processes and continue to improve processes across funds and asset classes. Already in 2014, our analyses indicated that return and sustainability may be correlated, and these insights have continually been further substantiated. Therefore, ESG aspects have become part of all phases of the investment processes – from idea generation to our active ownership.

Active ownership in different sectors

We have committed to making our overall investment activities climate neutral by 2050. The primary contributor to this will be the individual companies' efforts to become climate neutral, but investments can also be made in

activities that reduce greenhouse gas emissions and in companies with exposure to high greenhouse gas emissions.

Nykredit acknowledges that certain sectors, such as the materials sector, involve activities and products that are essential to society but are resource-intensive. Therefore, Nykredit recognises that sustainability assessments may vary from sector to sector, as some considerations may be more important than others. We keep a continuous focus on assessing the ESG performance of our investee companies, taking sustainability considerations into account in a way that matches the relevant sector.

This means that our sustainability analysis of a company in the financial sector may differ from that of a company in the industrial sector, and the approach relating to, for example, climate footprints will therefore also differ, depending on the context. During the year, we have particularly engaged with companies within the sectors industry, materials, energy and utilities and finance.

Industry:

The global shipping industry is facing a comprehensive and complex transformation towards carbon neutrality by 2050. During the first half of 2023, we have engaged with a number of companies in the shipping industry, including Maersk and Danaos Corporation.

Nykredit participates in collaborative engagement through the Climate Action 100+ initiative, which seeks to influence Maersk to pursue a faster and more ambitious green transition. In the late summer of 2023, Maersk launched its first carbon-neutral container ship. It can travel 6,000 nautical miles, or 10,800 km, on green methanol. Biomethanol emits about 65% less carbon than fossil fuel.

Maersk is still waiting for a supplier of even greener e-methanol, which emits over 80% less carbon than traditional marine fuels.

In total, Maersk expects to use around 5 million tonnes of green methanol per year by 2030 if the company is to deliver on its target of shipping 25% of its sea freight on green fuels. The Maersk group aims to reach net zero by 2040.

While some companies are showing good progress towards long-term and ambitious climate targets, not all transition plans are credible, and this is reflected in the dialogue with the companies. Therefore, we closely follow the development of the individual companies. During 2023, we have intensified our dialogue with the company Danaos Corporation, which adopted ambitious climate targets back in 2022. Our focus has been on ensuring that the company specifies its current and future actions to achieve these targets. The company has developed a Low Carbon Transition Plan that allows for ongoing tracking of milestones towards net zero emissions.

In addition, the company has joined the Carbon Disclosure Project and is collaborating with the Science Based Targets initiative (SBTi) on the pathway it has launched for the maritime transport sector in order to align the reduction targets to 1.5°C. We will, of course, continue to track the company and its SBTi progress.

Materials:

Nykredit has for several years engaged with the steel manufacturer ArcelorMittal on climate risks and other issues. Steel manufacturing is a resource-intensive industry as is clearly seen from the company's climate footprint. As manufacturer of more than 10% of the world's

steel output, ArcelorMittal is by far the largest player in the industry. In 2021, ArcelorMittal announced that it aims to cut global carbon emissions from its own activities by 25% by 2030 and launch the world's first carbon-neutral steel plant in 2025. This will take hydrogen technology to the next level. Hydrogen is considered a key technology going forward and has been a key issue in the company's investment plan. On this basis, we assess that the company is on a positive track in this area. Unfortunately, in autumn, the company had a fire accident in its Kazakhstan mine, killing 46 miners. Occupational health and safety has of course been part of our engagement with the company, and after the accident, we have paid even stronger attention to this area. This applies both to the company in general and specifically in Kazakhstan. We will continue our active dialogue with the company to push for a more positive development.

Energy and utilities:

We are dedicated to supporting the necessary green transition of global energy production and expect the same from the companies we finance and invest in. For this reason, we adopted a new Fossil Fuels Policy in 2023, under which we have excluded a large number of companies and intensified our work with active ownership of high-emission companies. According to the IEA's Net Zero Emissions scenario, no new coal mines or oil and gas fields can be developed, and coal must be phased out of energy production in all OECD countries by 2030. The IEA predicts that fossil fuels will play an inevitable role in global energy production for years to come.

Nykredit acknowledges this, along with the fact that companies involved in the exploration, extraction or production of fossil fuels today have the opportunity and an obligation to play an active and positive role in the

green transition. Nykredit's policy builds on the basic principle that companies acting in conflict with the IEA's conclusions will generally be excluded,

but Nykredit still reserves the opportunity to finance specific and necessary renewable energy expansions and to invest in companies that have a credible transition plan. Our active ownership of companies in the energy and utilities sector is based on a continuous assessment of the individual companies' transition plans and the credibility of these. Based on this, we engage with the companies we believe have the potential to move in a more sustainable direction. Companies without a credible transition plan are excluded.

Finance:

In the area of finance, Nykredit will in 2023 continue to encourage a number of banks to commit to ambitious climate targets. The aim is to promote the 1.5°C target for emissions financed by banks. This involves discussions on overall commitments but also sector-specific policies on, for example, financing of fossil fuel activities. Although a rising number of banks are committing to climate targets for their lending activities, Nykredit recommends setting even higher targets for market financing.

In our engagement with banks, Nykredit is particularly focused on encouraging them to lower their emissions by helping their customers' transition and reducing any financing of activities deemed not on track to meet the 1.5°C target. During the year, a number of banks have become even more specific about continued progress towards their climate targets. Through our active ownership and voting activities, we have firmly backed shareholder proposals pushing for faster climate action from a substantial number of large financial providers.

At end-2023, the ESG Quality score of 61% of our funds was above benchmark. We use this score in our sustainability assessments to measure companies' ability to manage environmental, social and governance risks and opportunities compared with their sector peers. These data are now also available to our customers in their online banking service, giving them an overview of their specific investments.

Greenhouse gas emissions from Nykredit's investment portfolios

Nykredit's investment portfolios are managed with a view to lowering emissions and making them climate neutral by 2050. The emission intensity across investments must be down by 60% by 2030 (from a 2020 baseline). We continuously measure emissions from investments and integrate these data into our investment considerations.

We publish the total climate footprint of investments on behalf of our customers and own holdings in compliance with Finance Denmark's recommendations and on the basis of, among other things, data from the Carbon Disclosure Project, own data reported by bond issuers and data provided by our data provider MSCI. However, data covering a range of asset classes are required for a complete overview. At this point, statements primarily include investments in listed equities, corporate bonds and mortgage bonds, which make up the main part of Nykredit's total investments.

We work with managers of funds investing in private equity and infrastructure to obtain good emissions data and participate in initiatives launched by

Finance Denmark and the IIGCC climate network to establish a method for determining government bond emissions.

Mortgage bonds at the forefront of sustainability disclosures

Investments in mortgage bonds outperformed similar types of European bonds again in 2023. Already at the end of 2022, Nykredit had aggregated greenhouse gas emissions data from all Danish mortgage issuers, which puts Denmark ahead of other mortgage markets. This means that today Nykredit can monitor developments in our portfolio carbon footprint. In addition to climate data, we have collected data on energy labelling and exposure in the individual capital centres.

This enables us to report on the funds' contributions to the EU's climate targets and to set minimum shares for the funds.

Therefore, Nykredit can already now create a connection between investment clients' preferences and Danish mortgage financing of the green transition.

We engage with individual issuers about their ESG focus, both in terms of borrower incentives to reduce emissions from the financed dwellings and in terms of the quality and delivery of aggregated climate data. In 2023, meetings with issuers focused on their specific targets for reducing the climate footprint of financed emissions.

This is important if we are to ensure that we meet our own investment targets. At several conferences during the year, Nykredit has shared these insights with both issuers and investors.

The table below shows carbon emissions in some of the sectors included in the investments we manage.

Greenhouse gas emissions from Nykredit's investment portfolios

	Investments, Nykredit and Sparinvest	Own portfolios
Business volume (DKK billion)	445	107
Coverage ratio (%)	86	84
Emissions (ktCO₂e)	2,214	320
Weighted Average Carbon Intensity (WACI)*	10	-

The statement includes Scopes 1 and 2, which are emissions from the companies' own consumption of fossil fuels as well as emissions from, among other things, electricity consumption. Alternatives and hedge funds are not included in the emissions statement.

* Excluding government bonds, mortgage bonds, alternatives and hedge funds.

Illiquid alternative investments

In respect of alternative investments, for example infrastructure and private equity, sustainability considerations and ESG policies are central elements of Nykredit's decision-making process. However, special conditions apply to the handling of sustainability in this asset class due to the illiquid nature of the investments. Nykredit's collaboration with professional asset managers ensures that there is strong focus on whether their policies are consistent with Nykredit's views and whether they have a proactive approach to working with non-financial factors. For example, we expect asset managers to actively endeavour to improve the climate footprints of the underlying companies, but other issues should also be addressed. Nykredit regularly monitors the development of investments, including reporting on various ESG criteria, which will also be communicated to customers. If problems arise, Nykredit will actively engage with the asset manager to influence how the situation is managed and to ensure full transparency.

Due care for human rights and international law

We expect that the companies we invest in comply with international law, including human rights. On a quarterly basis, we screen more than 10,000 different securities for breach of international law. If a company is in breach of international law, we will attempt, through dialogue and in collaboration with other investors, to make the company remedy the breach. At the end of 2023, Nykredit had engagements with 21 companies because of breach of international standards. If a company fails to rectify its behaviour, it will be excluded from Nykredit's investments. However, together with other investors, we are often successful in influencing the relevant companies into rectifying their behaviour.

We generally seek to sustain the long-term value of our investments, encouraging companies both to manage sustainability risks and exploit sustainability opportunities. We are driven by the potential to deliver positive change – both in society and in our investment – that goes hand in hand with strong long-term returns. Therefore, we generally engage with the companies when we have identified a particular challenge.

We do so even if the company is not necessarily in breach of international law. During the year, we have engaged with 21 companies regarding their management of sustainability risks relating to international standards, climate or other sustainability risks.

Nykredit's exclusion of companies

In 2023, we excluded more than 400 oil, gas and coal companies so that 946 companies are now on Nykredit's exclusion list. The excluded companies fall into three categories:

1. Manufacturers of controversial weapons
2. Companies in breach of international standards and unwilling to change their conduct
3. Coal and tar sand companies with no green transition plans

New companies on the exclusion list include manufacturers of tobacco, which are deemed to be in conflict with the UN's objective of reducing smoking-related deaths. Nykredit's exclusion list is available online under Excluded companies (nykredit.com).

Nykredit's exclusion list covers the following categories

Fossil fuels



Tobacco



Sanctioned companies



Weapons



Human rights



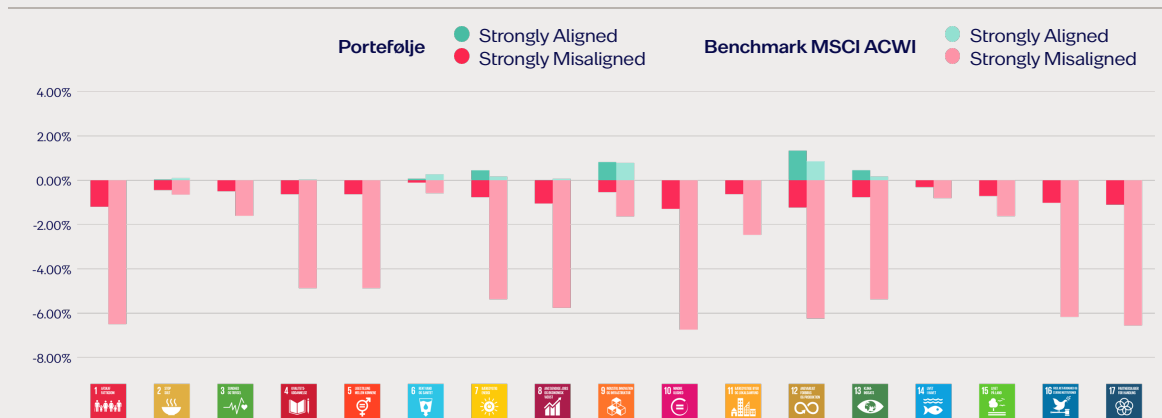
Nykredit invests to meet the UN SDGs

Nykredit's investments should contribute to reaching the UN SDGs by 2030. To this end, we regularly analyse developments to determine the positive and negative impacts on the SDGs of our investee companies. Together with the sustainability assessments integrated into our investment process, this will help us steer investments towards companies that address societal challenges.

We expect all companies, new and existing, to promote more sustainable practices for the purpose of future-proofing their business models. Generally, we do not sell off a company that shows signs of a negative impact. But we do engage in critical and active dialogue with the company to drive a change of behaviour if its current position, action plans or efforts seem unconvincing and/or insufficient.

Investments aligning with and not aligning with the UN SDGs are shown in the chart below. The aim is of course to increase the positive impact and reduce the negative impact so as to create value and make a difference. As can be seen from the chart, realising this ambition is progressing.

Funds' investments align with the UN SDGs



Positive impact ("strongly aligned") and negative impact ("strongly misaligned") of the funds' investments on the SDGs.
Source: Nykredit and MSCI ESG Research

We are steering companies in a more sustainable direction

We regularly analyse the positive and negative impacts on the SDGs of our investee companies. We want to be transparent and reliable – also when it comes to describing significant challenges. The UN SDGs help present a nuanced picture of how the companies contribute to or reduce certain societal goals.

A company may contribute positively to one SDG, while at the same time contributing negatively to another. The Swiss multinational food and beverage conglomerate Nestlé is a clear example of this. Nestlé is "strongly misaligned" with SDG 2 (Zero Hunger) and SDG 12 (Responsible Consumption and Production).

During 2023, Nykredit chose to initiate a constructive dialogue with Nestlé. Today, Nestlé is the world's largest listed food company. It sells products such as snacks, coffee, bottled water, breakfast cereals, etc. Nykredit's dialogue with Nestlé is centred on promoting responsible and environmentally sustainable business practices.

We also address critical issues such as reducing plastic pollution and transparent sourcing and supply chain management. When it comes to plastic pollution, several reports point to Nestlé as one of the largest plastic consumers, which is linked to food safety. We are also in ongoing dialogue with the company about deforestation, as illegal palm oil production both has a negative impact on the climate and leads to the loss of important biodiversity in tropical areas. Nykredit's dialogue plays a crucial role in ensuring that our investments align with our Sustainable Investment Policy and contribute to a more sustainable future.

As part of our data due diligence, we have carefully studied data on Nestlé from our external data provider and find that the company complies with the "do no significant harm" principle (the principle is described in more detail in "Latest news on the implementation of the EU's Disclosure Regulation").

Voting

In 2023, Nykredit and Sparinvest participated in more than 5,089 general meetings. At the meetings we take an active stand and represent our investors' interests. Normally, company boards of directors act in the best interests of investors. In 23% of the votes, we opted to vote against the recommendations of the boards of directors. In half of the cases, this was on the grounds of board composition, including lack of board independence.

Nykredit intensified its voting practices in 2023, gathering all Sparinvest funds and Nykredit funds on one voting platform. The revision in 2022 of the Sustainable Investment Policy included higher voting ambitions with participation in all general meetings, wherever possible.

See how we voted at the general meetings of individual companies at nykreditinvest.dk.



Wider selection of funds carrying the Nordic Swan Ecolabel

Nykredit offers a wide selection of funds carrying the Nordic Swan Ecolabel, which gives our clients more choices when it comes to sustainable investment solutions. At the same time, thanks to a contribution from Forenet Kredit, we removed the trading commission for personal customers investing in funds that carry the Nordic Swan Ecolabel.

In 2023, Nykredit launched three new balanced funds, which are the first Danish managed funds to carry the Nordic Swan Ecolabel. A string of other funds received the label on the same occasion. With 15 funds, Nykredit can now offer our customers the broadest selection of solutions carrying the Nordic Swan Ecolabel in the Nordic region. For the sixth year running, Nykredit's fund Bæredygtige Aktier, which carries the Nordic Swan Ecolabel, generated higher returns after costs than the world market index.



The Nordic Swan Ecolabel and investment funds

Investment funds that carry the Nordic Swan Ecolabel must satisfy 26 mandatory requirements governing the different ways in which a fund may influence companies. These requirements include a fund's choice of companies and transparency of investments. Under these requirements, at least half of a fund's portfolio will consist of investments in companies that have achieved good sustainability scores. Furthermore, the fund may not invest in certain industries and companies, including companies involved in fossil fuels, weapons and tobacco as well as companies in breach of international standards.

Read more at [ecolabel.dk](https://www.ecolabel.dk).

Sustainable investments in numbers

DKK billion	2018	2019	2020	2021	2022	2023
Nykredit's total investments covered by the Sustainable Investment Policy (%)	100%	100%	100%	100%	100%	100%
Number of companies screened quarterly	2,283	4,091	5,285	4,684	6,522	7,533
Companies with which Nykredit engages because of breach of standards	22	21	25	27	12	21
Excluded companies	51	58	65	168	410	946
Participation in general meetings						
– Number of general meetings	772	839	1,724	2,285	3,615	5,089
- Nykredit participation in AGMs	37%	49%	33%	36%	70%	99%
– Votes cast against boards of directors (%)	8%	8%	8%	8%/ 16%	23%	23%
Funds with a below-benchmark climate footprint	78%	78%	80%	65%	49%	55%

Data on voting in individual funds appears from the funds' own annual reports and our website, which now provides direct access to all data on voting in individual funds and general meetings.

Our approach to methodology and data quality

Data sources from a number of third parties are used to measure environmental and social criteria. The primary provider of ESG data and analyses is MSCI ESG Research. Furthermore, Sustainalytics is our external adviser on controversies and active ownership. ISS provides analyses of public limited companies in relation to voting activities. In addition, reported data from the issuers are used where no other data are available, or where it is deemed that issuer data are of higher quality.

Information from other external parties such as authorities, media or NGOs can be used, and due diligence is performed on all data sources. Data on environmentally sustainable activities under the EU taxonomy were only available to a limited extent at the time of reporting. The issuers accounted for 7.1% of reported data. The product's third-party providers provided their assessments in line with EU guidelines at 92.9%.

Nykredit also applies data sets issued by public authorities or organisations, provided that we deem such data sets to be reliable based on a thorough assessment. When applying this type of information, we include the source in our reporting. EU taxonomy alignment and eligibility of equities and corporate bonds are determined based on data from MSCI ESG Research.

Nykredit Asset Management as asset manager

At Nykredit, Nykredit Asset Management, a division of Nykredit Bank, is responsible for the Group's asset management services provided to both our personal customers, our investment funds and all the corporate and institutional clients that have chosen Nykredit as their asset manager.

Nykredit Bank's investment products are managed by Nykredit Asset Management in accordance with Nykredit's Sustainable Investment Policy. Some products furthermore imply sustainability characteristics and/or an extern labelling scheme, such as the Nordic Swan Ecolabel. Nykredit Bank's investment products essentially invest in Nykredit and Sparinvest investment funds. For further information on the funds invested in by investment products and mandates, please refer to Nykredit Invest's Corporate Responsibility Report and Sparinvest's Corporate Responsibility Report, which have been prepared in accordance with accounting standards applicable to UCITS. These are available at nykreditinvest.dk and sparinvest.dk

These websites also contain information of relevance under the requirements of the Disclosure Regulation, in addition to what is covered by this reporting.

Funds with sustainability targets and characteristics of certified funds (DKK billion)

Investments	2023	2022
Assets under management in funds with sustainability targets	18.41	14.10
Assets under management in funds with sustainability characteristics	301.85	279.10
Assets under management in funds certified with the Nordic Swan Ecolabel	18.99	14.24

Outlook and guidance for 2024

Nykredit strives to improve the data basis for addressing the adverse impacts from our investments. Therefore, we continuously update our data as new data sources become available or older data have been improved. Obtaining data on alternative investments is particularly challenging, and in 2023, we engaged with the underlying alternative investment fund managers in order to expand our reporting in this area going forward. Although Nykredit has collected much larger volumes of data in the past year, the data collected are still not sufficient to provide a meaningful picture in the context of reporting. In 2024, we will therefore endeavour to collect sustainability data from alternative investment fund managers to a much greater extent and scale up our reporting.

In addition to strengthening the quality and quantity of data, we also aim to enhance biodiversity, which is already included in Nykredit's risk assessments in connection with investments. We engage with companies that are in material breaches of international standards, including companies that do significant harm to biodiversity.

In 2024, we will intensify our focus and continue our existing nine engagements with a number of our investee companies within shipping, mining, food as well as other sectors to promote biodiversity efforts and reporting. In addition, we will continue our thematic engagements with more than 40 companies through our external partner Sustainalytics and increasingly use our voting rights when biodiversity is on the agenda.

Sustainable investments



Societal challenges

The world is facing major social and environmental challenges, and there is a great need for investments that contribute to their solution. By investing in the right companies and sectors and by being an active owner, investors can support sustainable development globally.



Nykredit's response

We develop solutions that can help more customers make more sustainable investments. We enter into a dialogue with our customers about their preferences for sustainable investments, and we offer more climate-friendly and sustainable alternative investment opportunities, for instance in the form of fossil-free funds and funds carrying the Nordic Swan Ecolabel. Nykredit integrates sustainability into the investment process by applying criteria related to ESG factors to all portfolios that contribute to risk assessment and analysis of companies in terms of ESG factors. At Nykredit, we practise active ownership and therefore maintain regular contact with our investee companies so as to actively influence them to contribute to the green transition.

Governance

Nykredit's Sustainable Investment Forum makes decisions on the implementation and development of the Sustainable Investment Policy. The Executive Boards of Wealth Management, Sparinvest, Nykredit Bank and Nykredit Portefølje Administration report on this work to the relevant Boards of Directors at least annually. The investment funds of Nykredit Invest and Sparinvest have adopted the policy, and the boards of directors of these funds also receive regular reports.

Policies

- Sustainable Investment Policy



Activities and achievements

- Updated Sustainable Investment Policy.
- Continued pursuing the objective set for all Nykredit investments to be Paris-aligned or on the path to becoming Paris-aligned by 2030.
- Incorporated the Group's Fossil Fuels Policy into the Sustainable Investment Policy, which has resulted in the exclusion of more than 400 companies.
- Continued our active ownership ambitions, including full voting participation in all positions in all funds to the extent possible.

- Broader direct and thematic engagement initiatives, including more types of engagements and extended agreement with service providers in the area.
- Launched an investment fund dedicated to green bonds, enabling investors to make direct investments in the green transition.
- Developed data infrastructure for sustainable investment management and reporting.
- Implemented quarterly sustainability reporting across funds to make it easier for investors to compare products from a sustainability perspective.

Risks of negative impact on society

Nykredit and our customers have invested in around 7,500 companies across the world. As a consequence, we are exposed to many different risks. These include financial risks and a risk of direct involvement in breach of international standards as defined by the UN and the OECD and a risk that the companies do not act in line with sustainable development principles. Some of these risks are also defined using the concept of Principal Adverse Impact under EU regulation, which we handle by engaging with the relevant company to inspire change or, ultimately, excluding the company.

Nykredit's risk

Sustainability risks may be of material significance and may therefore affect returns. If Nykredit fails to identify and respond to any such risks, it may negatively affect Nykredit's own portfolio as well as our customers' investments. The latter could have an adverse impact on Nykredit's business activities. Solid data are a prerequisite for managing these risks.



Ambitions for 2024

- Continue to strengthen and invest in training of colleagues.
- Achieve even higher voting activity in all positions in all funds to the extent possible.

- Collect sustainability data to a much greater extent from alternative investment fund managers and scale up our reporting.
- Take the data infrastructure to the next level to better meet the raised expectations of our customers.

UN Sustainable Development Goals

We invest in around 7,500 companies across countries and sectors and therefore have an impact on all UN SDGs. We measure the positive and negative impact of the companies we invest in on behalf of our customers, across all 17 UN SDGs. Nykredit's goal is to improve our investments' net alignment with the SDGs.

Key figures and targets

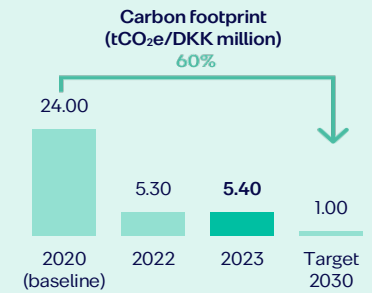
Carbon footprint, investments

552

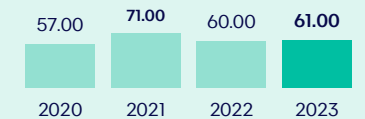
Investments included (DKK billion)

2,534

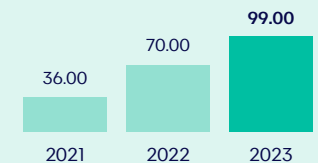
Emissions financed (ktCO₂e)



Fund funds with above-benchmark ratings (%) ESG



Participation in general meetings (%)



*The 2020 figure covers equity and corporate bond investments only, as no other data were available at that point. Disclosures for 2021 onwards also include the climate footprint of mortgage lending and own portfolios.

Responsible business practices

"Responsible business practices are an important prerequisite for caring effectively for customers, society and Nykredit. I am deeply committed to having an organisation which is equipped, at all levels, to advise customers responsibly, navigate swiftly and correctly within legal frameworks and play an active role in combating financial crime."

Anders Jensen, Group Managing Director

A greener Nykredit

With more than 4,000 colleagues and 48 locations, the Nykredit Group leaves a substantial climate and environmental footprint, one that we are making keen efforts to reduce. Making progress towards a greener Nykredit is also an important element of our collaboration with customers to create a greener Denmark.

Reduction of greenhouse gas emissions

Since 2012, the Nykredit Group has been committed to reducing greenhouse gas emissions from our operations. In 2020, we surpassed our ambitious target of a 65% reduction, reaching a total reduction of 84% since 2012. We have chosen to join the Science Based Targets initiative (SBTi) with a target of reducing Scopes 1 and 2 carbon emissions by 85% by 2030. We expect to achieve this goal by replacing gas-fired boilers with district heating at three of our locations, switching away from fossil fuel to electric cars and relocating to new headquarters.

In 2023, we will continue our ongoing efforts to optimise energy consumption at our physical locations. By encouraging behavioural change and continued focus on energy efficiency, we reduced electricity consumption by 11% and heat consumption by 11% in 2023.

Together with the owners, we are also contemplating implementing solar panels at our leased premises in Aabenraa, Horsens, Middelfart and Frederikshavn.

Nykredit's objective is to continue to reduce our heat and electricity consumption, and already in 2022, we met our target of reducing MWh by 25%. However, we strive to go even further and have therefore adjusted our target from a 25% to a 50% reduction in energy consumption by 2025.

We introduce new waste stations

In 2023, Nykredit introduced waste stations for sorting five different wastes at all locations. It is now possible to sort bio, plastic, cardboard, glass and metal waste at each Nykredit location. The purpose of the new waste stations is to support Nykredit's ambition to constantly increase waste recycling.

The Nykredit Group had a total waste recycling target of 80% for 2023. Unfortunately, only 55% was achieved. We hope that the new waste stations at Nykredit's locations will contribute to achieving this target in the future and therefore stick to the 80%, but move the deadline to 2025. Nykredit's second waste target for 2023 was a maximum of 100 kg of waste per FTE, which unfortunately we also failed to meet, as our waste volume in 2023 was 102 kg waste per FTE.

However, we still believe that 100 kg waste per FTE is a substantial amount, and we will endeavour to make further improvements in this area and have set a new target of 80 kg per FTE by 2027.



Nykredit's targets

85%

reduction in Scopes 1 and 2 carbon emissions from
2030 (baseline 2021)

25%

reduction in total MWh consumption by
2025 (baseline 2017)

80%

waste recycled by
2023

No Nykredit locations should be heated
directly using fossil fuels
2030

Towards a circular Nykredit

Nykredit's ambition is to reduce the Group's resource consumption by implementing circular principles such as reuse, upcycling, repair and resource-saving technologies. For example, at new locations we reuse desk frames with new Danish-produced tabletops made of textile waste. In addition, we are testing a newly developed and innovative shower system that reuses hot water, which reduces both water and energy consumption in the process.

Nykredit has worked with repair and reuse of computers for many years. In 2023, we expanded the scheme to also include IT equipment such as keyboards and mice. Electronic waste is a rapidly growing category, and since electronics contain energy-intensive metals, it is crucial that we effectively conserve resources in this area.

Another focus area is roll-up banners that cannot be reused by replacing the banner. Nykredit has established a pioneering collaboration with our supplier, where we return the banner when we need to replace it with a new one. In this way we achieve a circular system where the aluminium part can be reused, saving the planet from the polluting production of new aluminium. We hope this small step will inspire other companies to reuse their own roll-up banners and contribute to making a greater positive difference.

We will move to new headquarters in 2024

The year 2024 marks a major transformation for us at Nykredit, as three headquarter locations unite at a single new location in Nordhavn, Copenhagen.

Flexible seating at Nykredit has reduced the number of workstations, and we have even decided to forgo a dedicated board meeting room to avoid wasting square metres. This modernisation, combined with energy-efficient premises and a significant space reduction, is expected to cut Nykredit's total district heating consumption by 27%.

Nykredit secures 100% renewable energy through a power purchase agreement, but we also consider local energy production at our commercial properties to be an important part of our contribution to the green transition. In addition, we have installed solar panels on the roof of our new headquarters. The building will be cooled by a local district cooling facility, which will be next door to the new headquarters. The cooling facility will, among other things, use seawater as an environmentally friendly cooling method.

Collaboration with Glad Fonden spreads positive energy in Nykredit's canteen areas

As part of a new partnership with our catering service provider Compass-Group, a group of young people with cognitive challenges have joined us as part of a special training programme provided by the "Glad" foundation. These young people are otherwise not able to take a qualifying education in the established education system. They are accompanied by a qualified teacher and mentor from the Glad foundation and have been working in the kitchens at two of our headquarter locations since 9 August. Vibeke Barfred, Contract Manager at Nykredit, explains:

"We want to support an inclusive labour market where everyone can take part in and contribute to a workplace community regardless of their unique skills and abilities."

This collaboration is meaningful to Nykredit, and we believe that championing community and inclusion is the right way forward. We are further unfolding this perspective in connection with our diversity and inclusion initiatives.

Responsible supply management

In October 2023, Nykredit Procurement implemented a platform to strengthen responsible supply management for selected suppliers. The platform supports the collection of ESG data from our suppliers and furthers our dialogue. The data collection includes the suppliers' work with sustainability, certifications and resource consumption as well as social responsibility and business operations. Our goal is to initiate targeted dialogue with our suppliers about improvements.

The platform also gives our suppliers access to a range of tools that will support their continued ESG journey. By mid-November 2023, 50 suppliers had already been invited to the platform, and during 2024, we will onboard more suppliers and also start to include ESG data in our selection processes.

New headquarters

Solar panels Nykredit has for a long time increased its amount of locally produced electricity, and we are very pleased that our new headquarters will be partially powered by a large rooftop solar panel system.

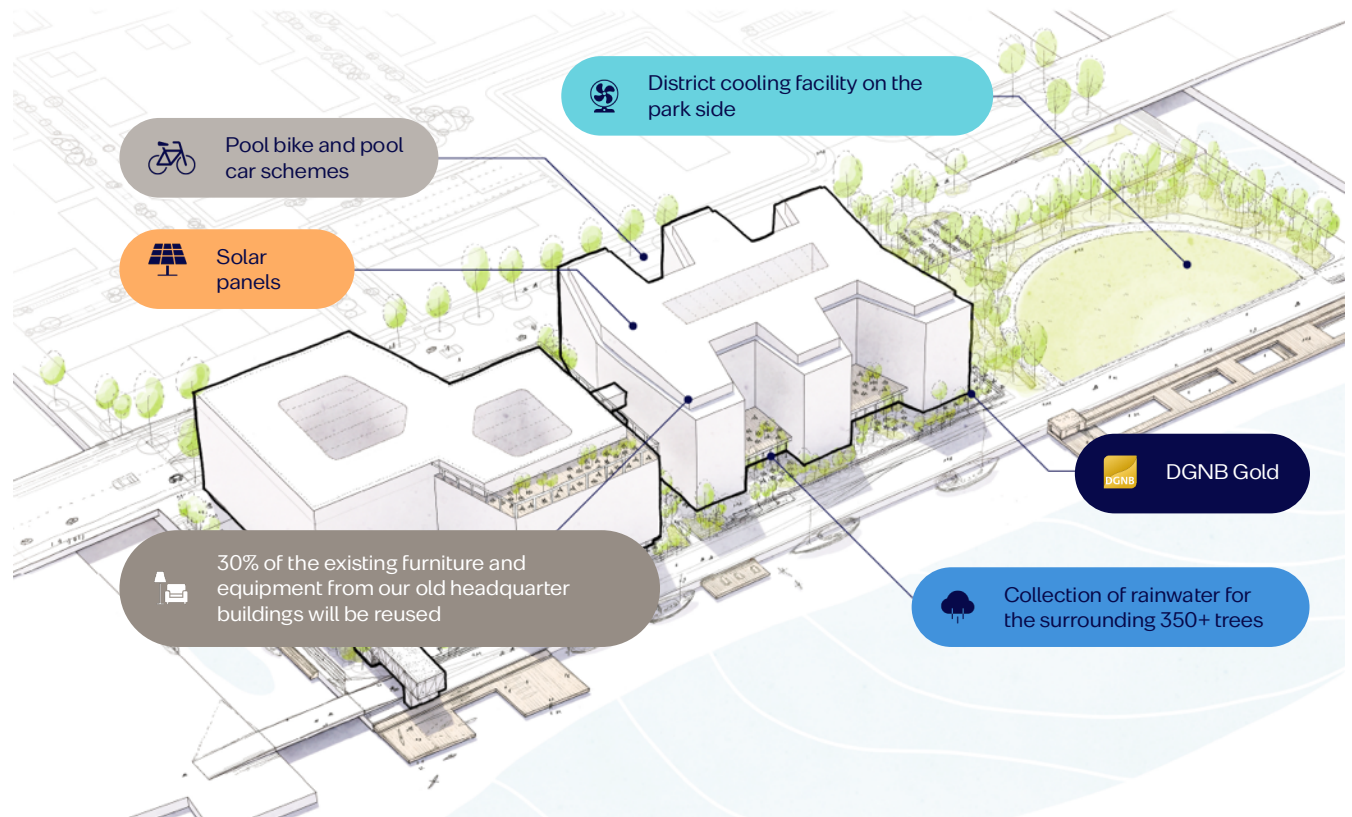
DGNB Gold The new headquarters have also obtained the DGNB Gold precertification for new buildings with a score of 73.3% and DGNB Gold for buildings in use, which is unusual for new buildings. However, our ambition extends beyond certification, as we know that efficient facility operations can ensure minimal resource consumption and thereby reduce our carbon footprint.

District cooling facility on the park side The building will be cooled by the local district cooling facility, which will be next door to the new headquarters. This cooling facility will, among other things, use seawater as a sustainable cooling method.

Pool bike and pool car schemes To make transportation to and from the new headquarters as sustainable as possible, we have secured space for pool bikes and pool cars and entered into partnerships with providers.

30% of the existing furniture and equipment from our old headquarter buildings will be reused Nykredit will to the widest extent possible reuse existing furniture and equipment, such as screens, furniture, plants and phone booths.

Collection of rainwater for the surrounding 350+ trees



Nykredit named Member of the Year in 2023

In November 2023, Nykredit was named Member of the Year in the network for green procurement, an initiative facilitated by Ecolabelling Denmark. The recognition is, for example, based on good scores for the procurement of products carrying the Nordic Swan Ecolabel, including cleaning, catering and laundry services as well as our inhouse printing shop.

At the end of 2022, the catering services at three of our locations across Denmark were awarded the Nordic Swan Ecolabel. Our goal is to obtain this Ecolabel for the catering and cleaning services at our new headquarters. We want at least 20% of the furniture for our new headquarters to have an environmental certification, for example the Nordic Swan Ecolabel. Our strategy also includes recycling; we plan to reuse approximately 30% of existing furniture and materials for various purposes. An example is our height-adjustable desks, where all desk frames are reused with new tabletops made of textile waste.



A greener Nykredit



Societal challenges

All businesses impact the climate and the environment through their production. The operation of our locations and transportation are the main sources of Nykredit's greenhouse gas emissions, consumption of resources and the amount of waste we generate.



Nykredit's response

We will reduce the Group's energy consumption, carbon footprint and waste volumes from operating our locations to bring our negative climate and environmental impact to a minimum. We have set ambitious targets to drive our efforts in the coming years.



Governance

The Executive Vice President of Procurement & Facility Management is responsible for targets and initiatives.

Policies

- Nykredit Internal Climate, Energy and Environmental Policy



Activities and achievements

- Reduced the Nykredit Group's energy consumption by 11%.
- Introduced expanded waste sorting at all locations.
- Submitted objectives to the Science Based Targets initiative (SBTi), including an emissions target for own operations of 85%.
- Launched a recycling scheme and repair of IT equipment.



Risks of negative impact on society

Nykredit may have a negative impact on the climate and the environment through the operation of our locations or when sourcing goods or services.

Nykredit's risk

Increasing energy prices pose a financial risk if we fail to optimise our consumption of resources. Moreover, lacking green transition at our locations involves reputational risk.

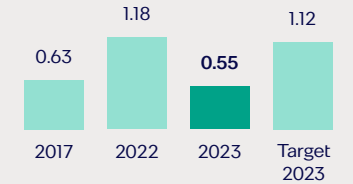


Ambitions for 2024

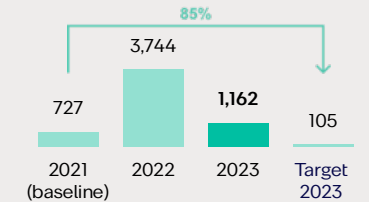
- Launch bike sharing scheme to promote environmentally friendly transportation to new headquarters.
- Move to new headquarters with significantly lower energy consumption.
- Continue working towards our objectives, especially the waste targets.
- Introduce circular shower systems at more locations, including new headquarters in Nordhavn.
- Install solar panels at customer centres in Middelfart, Horsens, Frederikshavn and Aabenraa.
- Continue reducing floor space needed at Nykredit's customer centres.
- Validate objective for Scopes 1 and 2 of Science Based Targets initiative (SBTi).
- Set up electric vehicle charging stations at customer centre in Viborg.

Key figures and targets

Emissions per FTE (t/FTE/year)

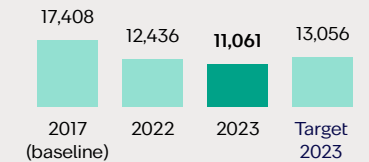


Annual CO₂e emissions (Scopes 1 and 2)

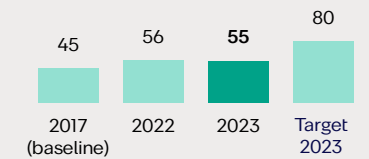


*See explanation of development on page 29.

Total MWh consumption



Percentage of recycled waste (%)



Responsible procurement



Societal challenges

Businesses may indirectly have an adverse impact on the climate and the environment when sourcing goods or services and directly through their operations. There is also a risk of supporting suppliers and sub-suppliers that violate human rights or are involved in corruption.



Nykredit's response

We constantly strive to source goods and services that are more climate-friendly and sustainable.

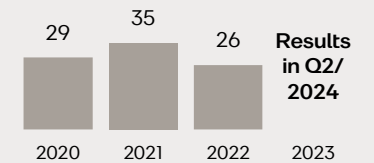
Nykredit's Supplier Code of Conduct requires our suppliers to meet the standards laid down in ISO 26000 and the UN Global Compact in respect of human rights, the environment, labour rights and ethics. Nykredit is a member of the Ecolabelling Denmark network for green procurement, whereby we commit to increasing the share of sustainable products in our procurement. As part of our approach to responsible supply chain management, Nykredit completes several eco-challenges every year. A challenge may, for instance, involve collaborating with our suppliers to find more sustainable alternatives to existing sourcing arrangements, or new ways of thinking in relation to our daily consumption.

Also, we implement regulatory requirements concerning, for example, processing of personal data and IT security on behalf of our customers and colleagues when making agreements with suppliers.



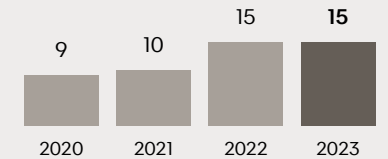
Key figures and targets

Products carrying the Nordic Swan Ecolabel* (%)



*The share of purchases carrying the Nordic Swan Ecolabel is calculated for selected categories and does not cover total purchases. Data for 2021 are compiled by Ecolabelling Denmark later in the year.

Number of completed eco-challenges



Governance

The Executive Vice President of Procurement & Facility Management is responsible for targets and initiatives.

Policies

- Procurement Policy
- Supplier Code of Conduct
- Climate and Environmental Policy



Activities and achievements

Nykredit completed 15 eco-challenges. As a result, we:

- Required that a new supplier must provide operation-neutral cars at our new headquarters.
- Replaced tote and plastic bags with a new variant certified with Fairtrade, Oeko-Tex, SA800 or the EU Ecolabel.
- Required that all logo items either contain recycled materials or that the materials are certified to a known standard.

- Implemented a new platform in Procurement to be used for more detailed and responsible supply chain management.
- Introduced new umbrellas made of recycled fabric materials (our supplier donates 2% of the proceeds from each umbrella to Water.org).
- Ensured that all wine cartons are now FSC Mix certified and that full colour printing is no longer used.
- Were named Member of the Year in the network for green procurement.



Risks of negative impact on society

Nykredit may have a negative impact on the climate and the environment through the operation of our locations or when sourcing goods and services. Moreover, Nykredit's suppliers may be involved in human rights violations, corruption and greenwashing.

Nykredit's risk

Greenwashing or other responsibility issues at Nykredit's suppliers and sub-suppliers may rub off on Nykredit's reputation.



Ambitions for 2024

- Demand that the new canteen and cleaning services carry the Nordic Swan Ecolabel when we move our headquarters to a new location in 2024.
- Reuse roll-ups in connection with events, including recycling of metal stands and pilot tests of reusable wooden roll-ups.

- Onboard more small and medium-sized suppliers to the new ESG platform.
- Formalise follow-up procedures for suppliers' ESG efforts, including documentation and specific initiatives.
- Develop environmental requirements specific to the different procurement categories to be incorporated as selection criteria in procurement processes.

Responsible business practices

As a financial provider, Nykredit makes decisions every day that have long-term impacts on our customers and society. For example, when advising young couples about loan types for buying their first home or when Denmark's largest corporations need funding to expand their business into new markets or transition in a greener direction.

It is fundamental to Nykredit that our advice, products and services are responsible, both in a societal context and relative to the financial position of the individual customer. This requires an organisation that is equipped at all levels to act responsibly and correctly, complying not only with the letter, but also the spirit of the law. To this end, we need to have a corporate culture where we can openly discuss and act on the business dilemmas that may arise, even when acting within existing rules and regulations. This is to ensure that we, as a company, have responsible business practices that we can explain and justify in relation to our customers, society and ourselves.

This section describes our initiatives relating to and other factors contributing to responsible business practices.



Corporate responsibility skills

Nykredit has four behavioural skills that serve as benchmarks for the behaviour we want to be known for. These are the skills that set us apart and give us our unique profile. We call it Nykredit behaviour. Responsibility is one of these four behavioural skills that will be the main focus of Nykredit's continuous people development.

To Nykredit, responsibility implies that we must be able to explain and justify our choices and actions, both at the business strategic level and in our day-to-day work performance. This further implies that managers must ensure that their teams understand the specific meaning of Nykredit behaviour and provide feedback and discuss behaviour as part of the continuous performance conversations.

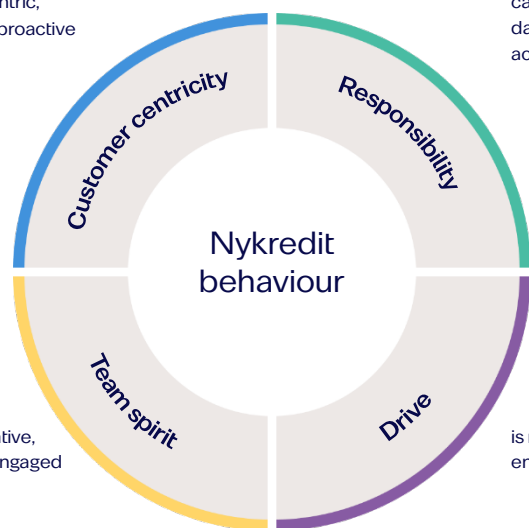
The figure below illustrates Nykredit's four behavioural skills:

All our colleagues are responsible for drawing attention to any Nykredit business practices in their daily work or their own field that may be perceived as inappropriate or, at worst, irresponsible. It is important that our colleagues speak up if they experience irresponsible circumstances so that we can make any necessary business and behavioural adjustments. To support this, in 2023, we launched an internal theme page on healthy risk culture targeted at colleagues who either work with managing and handling Nykredit's non-financial risks or report errors and other incidents.

In addition, Nykredit's integrated risk management system provides a view of Nykredit's non-financial risks, including conduct risks, as well as a view of reported errors and other incidents, so that the Group can at all times obtain the necessary view of conduct risks. Nykredit managers have a special responsibility for promoting a safe and open atmosphere that encourages our colleagues to openly share opinions or concerns if they become aware of customers or the general public perceiving Nykredit's business practices as inappropriate or irresponsible. Responsible business practices are an overall focus point in Nykredit's management training programmes.

Staff member

is customer centric, empathic and proactive



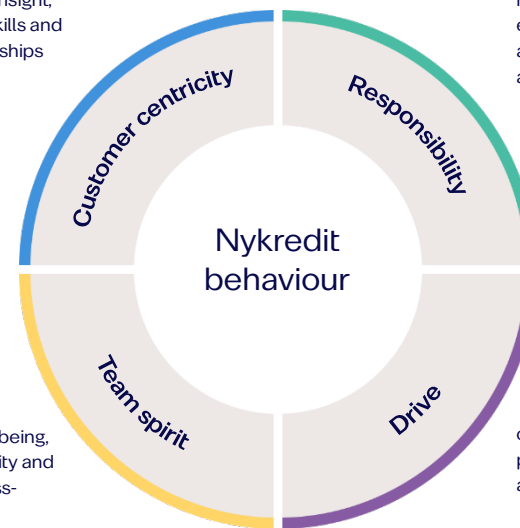
can explain and justify daily choices and actions

has a collaborative, inclusive and engaged mindset

is results-driven, enterprising and agile

Manager

has business insight, strengthens skills and builds relationships



makes timely decisions, ensures a risk-based approach and thinks about the big picture

supports well-being, ensures humility and promotes cross-organisational collaboration

creates meaning and purpose, sets direction and is hungry for results

Conduct risk management is an integral part of Nykredit's risk management activities

The Group's conduct risk management is a part of our established risk management efforts. Risk meetings are held regularly with the managers of the individual business units, at which conduct risks are identified, discussed and managed, for instance by a change of practices or conduct.

In 2023, 103 conduct risks were identified in the Group, which is broadly unchanged compared to previous years. These risks were identified by reviewing behaviours and business practices. Issues raised by customers or in the media can also serve as a catalyst for us to examine our behaviours and practices in a given area.

How Nykredit handles a conduct issue:



Nykredit's escalation structure, which clarifies and illustrates the process and criteria for escalation of conduct issues. The fundamental principle is that issues related to conduct or business practices should generally be resolved as close to local management as possible. If that is not possible, conduct issues should be escalated within relevant committees etc.

Main focus points

When identifying and addressing conduct risks, we have observed the following Group-wide focus points:

1. Sustainable financing

The risk of being unfairly or fairly accused of greenwashing in relation to products, customer relationships, investments or behaviour has been identified broadly across the Group. This may primarily affect the Group's reputation, but may also ultimately have financial consequences, including increased credit risk and/or investment risk.

Nykredit has implemented several measures to mitigate the risk related to the sustainable transition, including a Fossil Fuels Policy and Sustainable Investment Policy, and has also included ESG issues in the credit rating of business customers. This implies taking environmental, social and governance factors into account, thereby contributing to a more comprehensive credit rating. Furthermore, Nykredit is committed to ensuring that products classified as green or climate-friendly comply with the guidelines of, for example the EU taxonomy and relevant public subsidy schemes etc. This ensures that the funds are actually used for sustainable purposes. To further strengthen risk management, Nykredit has introduced a special green step in its product approval process, which sets out additional requirements in terms of documentation and control to mitigate this risk.

Nykredit is actively reducing conduct risks associated with the sustainable transition through an ever-increasing focus on ESG in our investment advisory services and by providing sustainability training for all employees.

Our risk management activities will continue to focus specifically on identifying and managing ESG-related conduct risks.

In future, this will also include paying particular attention to social and governance factors as well as biodiversity.

2. Transparency in products and pricing

Financial products are complex by nature, and Nykredit has immense focus on providing information on the price and risks of a given product to ensure that customers' expectations of a given product match what they actually get. In product development and ongoing product approval and evaluation, transparency and advisory services are key parameters. Moreover, the Group's customer advisers receive regular training and education as a means strengthening responsible advisory services and a responsible product offering.

3. AI could imply new conduct risks

The rapid technological development unlocks new innovation opportunities for Nykredit, but may also entail new conduct risks. Therefore, Nykredit must ensure that data usage, for example in models and technologies such as artificial intelligence and machine learning, is not only in compliance with legislation but also in accordance with Nykredit's data ethical principles and cannot be perceived as controversial by customers. Particular attention should be paid to automated solutions in relation to personal customers. We must be able to explain and justify the methods used by the systems for business conduct decisions.

To support this, data ethics will continue to form part of our risk management to identify data ethical risks. Nykredit is fully aware of the need for caution and that data usage is a sensitive area to many people; Nykredit may inadvertently use data in ways that conflict with the values of some of our customers.

Therefore, it is important that this topic is trained and articulated, especially, but not exclusively, at the units that work with business and product development. New guidelines for the use of AI and a newly established Centre of Excellence for AI are expected to help pinpoint possible data ethical risks.

Taking a risk-based approach, we will stay focused on the three focus points as part of our risk management activities, and they may cause Nykredit to adjust behaviours or practices in the relevant areas.

Our Corporate Culture Policy establishes the guidelines for conduct at Nykredit

Nykredit's Corporate Culture Policy lays down the overall principles for promoting a sound corporate culture as well as the ethical and professional standards by which Nykredit wants to be known. The policy builds on two principles and is supplemented with Nykredit's four behavioural skills, which set the direction for the kind of company we want to be as a customer-owned workplace. As previously described, these four behavioural skills serve as benchmarks for the behaviour we want to permeate our daily work in everything we do, regardless of our position at Nykredit. The policy is supplemented with other policies and guidelines, all serving to clearly define responsible conduct, including Nykredit's Code of Conduct.

In 2023, an evaluation was made for the Board of Directors of the level of compliance with the policy during the past year. Overall, Nykredit is at a satisfactory level in terms of the principles to promote a healthy corporate culture. In the policy areas data governance and personal data, the level remains less satisfactory in terms of meeting the specific objectives, however. In both policy areas, various measures have been taken to improve quality in the data governance area and the level of compliance in relation to personal data. The challenges in these areas are not deemed to primarily relate to culture and conduct.

Whistleblower scheme

Besides ensuring a healthy and open culture in our day-to-day work, it is essential that our staff can file anonymous reports if they experience irregularities. Nykredit has established an online whistleblower scheme where colleagues can anonymously report suspected irregularities, violations or potential violations of financial regulation, other legislation or Nykredit's policies and guidelines, including sensitive issues such as sexism.

The whistleblower scheme is a supplement to existing structures at Nykredit where colleagues can, and are encouraged to, mention irregularities to their line manager or Nykredit's management. Any such reports will first reach an external attorney, who will review the report and then share it with the Head of Compliance, the Head of Internal Audit and the Chair of Nykredit's Board Risk Committee.

The number of reports filed under Nykredit's whistleblower scheme has remained stable and low.



Corporate Culture Policy

The following two principles laid down in the policy serve to promote and sustain a sound corporate culture at Nykredit:

- Responsible business practices
- Safe and open culture.

Responsible business practices and a safe and open culture are the two main principles applied to ensure and promote a sound corporate culture at Nykredit. All employees are responsible for drawing attention to any Nykredit business practices in their daily work that may be perceived as inappropriate or, at worst, irresponsible, so that business and behavioural adjustments can be made where needed.

Anti-corruption

Nykredit has a zero-tolerance policy with respect to corruption. Denmark is among the least corrupt countries in the world, and Nykredit would like to contribute to retaining this position. Having adopted the Ten Principles of the UN Global Compact, we are committed to countering any form of corruption, including financial exploitation and bribery.

We have adopted an Anti-Corruption Policy in the Group, which sets the framework for Nykredit's anti-corruption commitment. The objective of the policy is to ensure and support conduct and work ethics characterised by the highest standard of personal and organisational integrity, both internally and externally, in the interaction with all types of customers and business partners. The policy determines management responsibilities in the context of procedures for identifying, preventing and handling the risk of corruption in the Group and defines the primary types of corruption that the organisation should look out for. The policy is supported by business procedures for fraud, nepotism, independence and receipt of gifts.

The level of compliance with the policy is reported to the Board of Directors in connection with the annual policy review. The conclusion of the reporting in 2023 was that the policy is generally complied with and that no special measures were needed in this area.

Product evaluation from a sustainability viewpoint

Nykredit's products and services in the areas of investment, banking and mortgage lending must comply with Nykredit's Product Policy. The Product Policy sets the framework for a responsible approach to development and management of products and services. Accordingly, all products must comply with current legislation as well as with Nykredit's policies, including its credit and tax policies. All product evaluations and approvals involve an assessment of both Nykredit's and customers' potential risk exposure. Accordingly, all products must be developed with a long-term perspective and are therefore evaluated in terms of financial, social and environmental/climate aspects and evaluated annually by Nykredit's Products Committee. All new products are furthermore evaluated in terms of conduct risk.



Responsible lending and advisory services

Loans provided by Nykredit are based on a customer's creditworthiness. We review a customer's personal finances and assess the customer's ability and will to honour agreements entered into with Nykredit. We do this to ensure that individual customers do not borrow more money than their budgets allow and to avoid granting loans that carry too much risk. Ultimately, the losses we may suffer will be passed on to the business at large, which means our customers.

To ensure that we do not enter into transactions with customers who engage in activities in violation of existing legislation, human rights, labour standards, principles of environmental responsibility and rules of anti-corruption, including bribery and financial exploitation, we have integrated the Ten Principles of the UN Global Compact in our Credit Policy.

Nykredit's advisers are trained and diligent in advising customers about the potential risks associated with the various products, prices and other relevant information. Nykredit's advisory services must consider the interests of our customers, be fair, relevant and adequate and provide customers with a solid basis for decisions.

Transparency of price and risk

Uniform and transparent prices are a common feature of Nykredit's pricing structure for personal customers. All personal customers of Totalkredit pay the same price for the same type of loan. This means that the price varies with the loan-to-value ratio and loan type, but not with the customer's income, age or where in the country the customer lives. Nykredit BoligBank offers three customer value propositions, and within each proposition, the price of bank or home financing is the same for all customers. Last, but not least, we risk label loans as well as investment products, allowing customers to assess the risk of existing or future loans and investments.

Fair complaints handling

Nykredit is committed to ensuring that customers are heard and that a customer's complaint is dealt with fairly. This work is governed by Nykredit's complaints handling policy "FAIR treatment of dissatisfied customers", the purpose of which is to come to a solution that the customer will find reasonable. The policy is implemented through business procedures, specifying response times, escalation levels etc for complaints. In 2023, 271 customers filed a complaint. Slightly below 30% of them succeeded in full or in part in their complaints.

Responsible business practices



Societal challenges

Nykredit has a responsibility for ensuring that advice, products and services are responsible relative to the individual customer and in a societal context. As a financial provider, Nykredit also has increased responsibility for ensuring that financial infrastructure and products support and promote a more sustainable transition of society.



Nykredit's response

Nykredit must conduct every aspect of its business in a responsible and proper manner. We support a safe and open corporate culture, where we adjust behaviours and practices as needed to always ensure responsible business practices that we can explain and justify in relation to our customers, society and ourselves – both at the business strategic level and in our day-to-day work performance.

Our specific initiatives related to responsible business practices follow a two-pronged approach: Firstly, all our colleagues are responsible for drawing attention to any Nykredit business practices in their daily work that may be perceived as inappropriate or, at worst, irresponsible, so that business and behavioural adjustments can be made where needed. Secondly, risk management initiatives are taken where we frequently identify, assess and address the Group's conduct risk as part of the ongoing risk management practices.



Governance

The responsibility for the day-to-day management of non-financial risks, including conduct risks, is decentralised and lies with the individual business units. On a par with other risks, conduct risks are included in the ongoing identification, assessment and management of risks. The independent monitoring, control and reporting of Nykredit's overall non-financial risk outlook is carried out centrally by Nykredit's risk management function.

Policies

- Non-Financial Risk Policy
- Credit Policy
- Nykredit Group Product Policy
- Code of Conduct
- Whistleblower Policy
- Tax Policy
- Complaints Handling Policy
- Anti-Corruption Policy
- Corporate Culture Policy
- Data Ethics Policy



Activities and achievements

- Responsibility implemented as a behavioural skill against which all members of staff and management are assessed.
- Increased focus on conduct risks in product approvals and evaluations.
- Launched new theme page on sound risk culture for all colleagues.
- Established a Center of Excellence for AI in Nykredit.
- Introduced a set of rules for colleagues' use of publicly available AI services.

- Integrated ESG factors in Nykredit's credit assessment of business customers.
- Updated Nykredit's Corporate Culture Policy and Code of Conduct.
- Provided annual reporting to Nykredit's Board of Directors on compliance with the Corporate Culture Policy.
- Conducted our annual organisational review in collaboration with our managers, which included a discussion of responsible business practices.



Risks of negative impact on society

Nykredit's advisory services, lending and products have significance for our customers' financial position and on the Danish economy. This may, for instance, entail the risk that the individual customer receives inadequate advice or that a specific product portfolio could have an adverse impact on financial stability.

Nykredit's risk

As a financial provider, Nykredit is governed by, and must at all times abide by, current legislation and regulation. This may, for instance, involve the risk that processes and products do not comply with the regulation in the area. Last but not least, there is a risk that Nykredit does not live up to society's and our customers' expectations. This may lead to breach of trust in Nykredit's business.



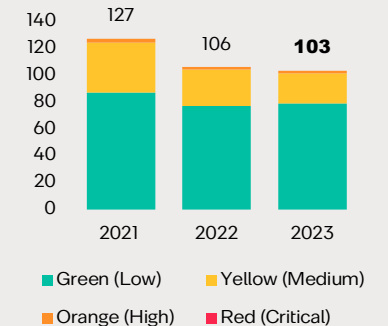
Ambitions for 2024

- Ensure that emerging conduct risks are identified and addressed at the right organisational level.
- Maintain and continually strengthen colleagues' awareness of responsible business practices.

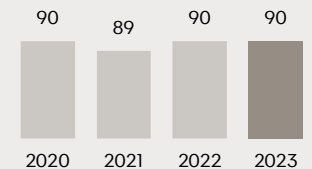
- Regular training of Assistant Risk & Compliance Officers (ARCOs) and other risk colleagues.
- Integrate responsibility as a behavioural skill locally so that all colleagues know how to act responsibly in their day-to-day work.

Key figures and targets

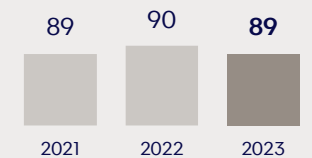
Number of conduct risks



I am aware of the rules and business procedures, which my colleagues and I must abide by in our daily work



In my unit, we react to irresponsible conduct or actions



Initiatives to combat financial crime

The exploitation of financial systems by criminals has a major adverse impact on international society, including global economic systems. Financial crime also impedes economic growth in Denmark and causes losses for companies and individuals, including Nykredit and our customers. The financial sector is in a race against criminals who are becoming increasingly sophisticated in their attempts to misuse financial providers for money laundering and other financial crime.

The Nykredit Group does not accept being misused for financial crime purposes, and we cooperate with authorities, NGOs and other participants in the financial sector to prevent and combat financial crime.

International sanctions call for increased awareness

Geopolitical turmoil increased throughout 2023. Following Russia's invasion of Ukraine in 2022, Western countries imposed sanctions on Russia, Belarus and Iran, among others. The complexity and scope of the sanctions packages increased during the year. The escalation of the conflict in the Middle East led to restrictions on transfers to and from Palestine.

Against this backdrop, our awareness of and dialogue with customers about sanctions has increased due to growing risk that we or our customers may become involved in a circumvention or violation of sanctions.

Continued systems optimisation

We are making a sustained effort to improve our ability to combat and prevent financial crime so that our initiatives and capacities reflect our business activities and the associated risk. For this reason, in 2023 we reinforced our infrastructure in a number of areas:

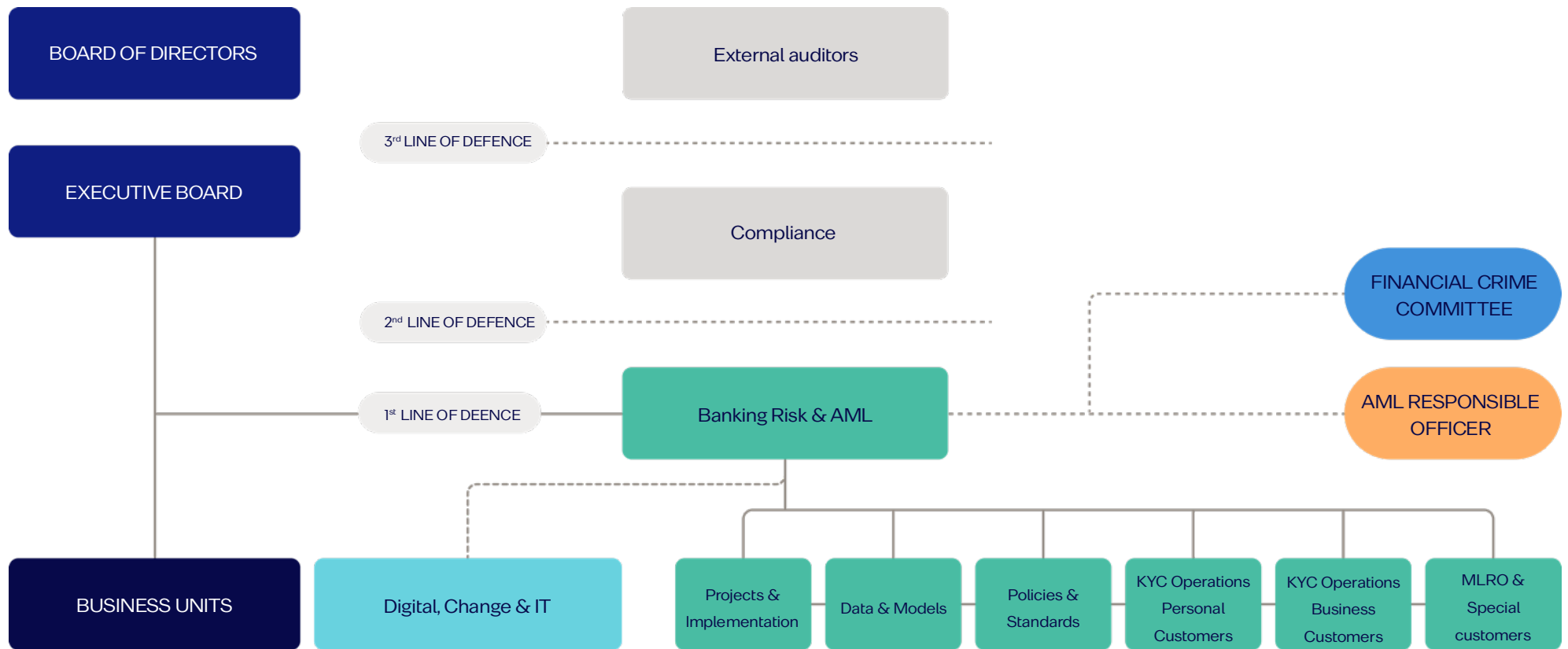
- We strengthened our focus, processes and system support to prevent violation and circumvention of sanctions.
- We further enhanced our monitoring of transactions to identify suspicious transactions.
- We optimised our customer due diligence/KYC procedures through better utilisation of internal and external data.
- We integrated Group companies more closely through greater interaction between our central risk management unit and the individual Group companies.
- We improved our workforce upskilling to include how to combat financial crime, using, for instance, case-based learning with increased use of social learning.

New and improved training tool

Nykredit continues to invest significantly in the efforts to combat financial crime, for example by participating actively in initiatives across the sector aimed at raising customers' awareness of risks related to financial crime. We place particular emphasis on raising awareness among the workforce to ensure they have the skills required to effectively combat threats of financial crime. With this in mind, in 2023, we introduced a new and improved case-based training tool for all colleagues that makes greater use of social learning. Furthermore, we remain increasingly focused on raising awareness among frontline colleagues to ensure they have the skills required to detect suspicious behaviour.

In 2023, 98% of our colleagues completed and passed e-learning programmes and tests in how to combat money laundering and financial crime. The percentage is lower than 100% because of leave, illness, change of jobs etc.

Organisation of efforts to combat financial crime



Nykredit's initiatives to combat financial crime (AML/CTF/Sanctions) are structured around three lines of defence.

Initiatives to combat financial crime



Societal challenges

Financial crime, which includes money laundering, tax evasion, terrorist financing, violation or circumvention of sanctions etc, is extremely harmful at both the national and international level.



Nykredit's response

Combating financial crime is integral to Nykredit and a key element of our social contract. We consider it a central element of our responsibility to actively contribute to preventing and countering any misuse of the Nykredit Group and the financial sector in general for financial crime purposes.

We are actively working to strengthen the relationship between the authorities and the financial sector under the auspices of the Operative Danish Information and Intelligence Network (ODIN). Concurrently, we are making a targeted effort to improve our ability to combat and prevent financial crime so that our initiatives and capacities reflect our business activities and the associated risk exposure. Nykredit customers will be affected by our customer due diligence/KYC procedures in connection with onboarding and regular updating of the required customer due diligence (KYC) data. We strive to make such procedures efficient, relevant, simple and easy for our customers.



Governance

The Group Managing Director of Banking is in charge of implementing and ensuring management focus on measures to prevent financial crime throughout the Group and has been appointed Chief AML Officer at the executive level in Nykredit A/S.

Policies

- Policy for the Prevention of Money Laundering, Terrorist Financing and Breach of Financial Sanctions
- Executive Board guidelines for risk appetite and customer acceptance for the prevention of financial crime
- Executive Board guidelines for the prevention of financial crime
- Whistleblower Policy



Activities and achievements

- Strengthened governance and coherence between risk assessment, policies, guidelines and business procedures.
- Improved onboarding of customers by integrating the use of MitID.
- Improved updating process with optimised use of internal and external data as well as increased centralisation.
- Improved onboarding of business customers.
- Enhanced capacity to prevent violation and circumvention of sanctions.

- Payments to and from Russia and Belarus are still being stopped.
- Launched additional restrictions on transactions to and from conflict areas, such as Palestine.
- Increased capacity for transaction monitoring.
- Further upskilled colleagues through training to combat financial crime, for example through case-based learning with increased use of social learning.



Risks of negative impact on society

Like other financial institutions, Nykredit experiences attempts to misuse us for many different types of financial crime, such as money laundering, violation and circumvention of sanctions and terrorist financing. Financial crime is extremely harmful to the international community, including to global financial systems. Financial crime impedes economic growth in Denmark and causes losses for companies and individuals, including Nykredit and our customers.

Nykredit's risk

There is a risk that customers and other stakeholders lose confidence in Nykredit and reject us if we fail to sufficiently live up to our responsibility and obligations in the effort to combat financial crime. This is particularly true for our customer-ownership structure. Errors and omissions in our work to combat financial crime may cause the Danish FSA to issue orders or submit a criminal complaint. This may have an adverse impact on our ability to finance our substantial mortgage business.

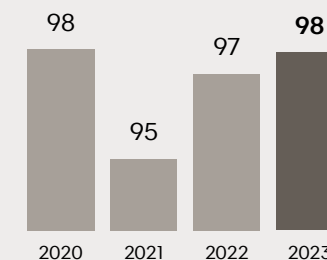


Ambitions for 2024

- Continue to strengthen our governance setup and coherence between risk assessments, policies, guidelines and business procedures.
- Improve our capacity to handle the ever more complex sanction regimes, partly due to the war in Ukraine and developments in the Israel-Palestine conflict.
- Continue to expand the monitoring capacity in relation to customers and transactions.
- Strengthen customer due diligence/KYC, which involves extended reuse of existing information across processes and extended use of external data as well as incorporation of new technologies.
- Further upskilling of colleagues as part of our efforts to prevent financial crime.

Key figures and targets

Colleagues having completed and passed AML e-learning and tests (%)



Number of staff involved in initiatives to combat financial crime

205

Personal data, IT security and data ethics

Customers' confidence in companies' ability to protect their data is essential to an efficient market as well as to growth and progress. This is especially true in the financial sector where large data breaches may harm society and where loss of customers' personal data may have serious consequences.

At Nykredit, we collect and process the personal data of a large number of Danes. In addition, Nykredit's business is based on an extensive amount of data, which must be handled with utmost security so as to ensure that the Group can serve its purpose. We are therefore constantly seeking to create a strong and coherent data protection framework throughout the Group. Our aim is to become even better at protecting personal data, maintaining a high IT security level through ongoing monitoring, testing and evaluation. Similarly, we are obligated to use data in an ethical and responsible manner.

Nykredit's Data Ethics Policy

New opportunities created by technological developments imply stricter requirements for businesses' use of data – this also applies to Nykredit. Nykredit's Data Ethics Policy describes our approach and principles for how Nykredit wants to process data in an ethically responsible manner. The policy aims to provide Group staff with a clear framework for ethically responsible use of data.

At the same time, the policy aims to build and secure the trust of customers, colleagues, business partners and other stakeholders.

Strengthening of IT security and risk management

Nykredit has a strong foundation in terms of IT operations, but with the constantly evolving threat landscape, we also remain focused on improving our IT security. This is done by making improvements and further strengthening risk scoring and documentation practices.

In Q3/2023, Nykredit identified and assessed a number of IT risk scenarios, eight of which are assessed as high. These IT security risks relate to suppliers, cybercrime, IT operations and non-compliance with the GDPR. Generally, Nykredit is considered to have solid control and an overview of its IT risks, which ensures overall stable operations. We have drawn up action plans in the most important areas, and activities are ongoing to improve IT security in response to constantly developing threats.

Data Ethics Policy

Our Data Ethics Policy is based on the following four key principles:

- **Transparency**

Nykredit should be transparent and able to explain where data are used in customer services and how the results of such usage are integrated into Nykredit's business processes.

- **Responsibility**

Nykredit must ensure that data are used in the interests of our customers so as to increase the quality of the services and products provided and to optimise internal processes. Established internal processes ensure compliance with Nykredit's data ethical principles.

- **Equality**

Nykredit strives to always interact with customers objectively and on an equal footing, also in situations where data usage supports customer services. As a main principle, areas such as ethnicity, cultural background, religion, sexual orientation, political affiliation, disabilities etc may not be used in the customer service design, be it directly or indirectly via deliberate selection of data that capture such areas.

- **Security**

Our customers can rely on Nykredit using their data securely and responsibly. By providing a high level of IT security, robust platforms and standardised processes, Nykredit seeks to inspire security for customers.

Responsible and transparent processing of personal data

As data controller, Nykredit processes personal data with great care and solely for the legitimate purposes for which the personal data were collected, and in compliance with applicable data protection rules. We are transparent about why we collect personal data, what we use the data for and with whom we exchange the data. We maintain focus on responsible processing of personal data after the customer and supplier relationships etc ends.

It is important to us that data subjects have control over their personal data and are offered an easy and simple way to exercise their rights in this respect. Data subjects can, for instance, request access to or erasure of the personal data we process about them through our website.

Nykredit has established processes and a control framework to monitor our compliance with data protection legislation. Using these controls, we regularly test the degree to which the processes of the individual business units comply with Nykredit's personal data and IT security policies and guidelines, for example with respect to erasure of personal data.

Like many other companies, Nykredit reported breaches of personal data security to the Danish Data Protection Agency in 2023. The majority of these breaches related to procedural errors such as emails sent to the wrong recipient or with the wrong attachments – breaches which we would have preferred to have avoided and which we are continuously working to reduce in number.

In 2023, we strengthened our focus on initiatives aimed at minimising breaches related to procedural errors. We have also set up a Data Privacy Committee, which is to ensure a Group-wide organisational basis for operations and development within the personal data area.

Our colleagues are key

We know that personal data processing and IT security rely extensively on those of our colleagues who handle these areas. Therefore, we continually train our colleagues to ensure that personal data and IT security are processed and handled prudently and responsibly. In addition to this, our colleagues participate in relevant courses and conferences to keep updated on new knowledge and experiences.



Personal data, IT security and data ethics



Societal challenges

Customers' confidence in how companies treat and protect their data is essential for an efficient market. This is especially true in the financial sector, where large data breaches may have serious consequences for customers and society.



Nykredit's response

We give data subjects control over their personal data, and they are offered an easy way to exercise their rights, including the right to access to or erasure of personal data. We have a transparent approach to data collection, usage and sharing. Nykredit must provide efficient, reliable and secure IT services as IT usage is a key element of Nykredit's business operations. Nykredit wants to apply best practice in its industry, whereby security measures are balanced against costs and value to Nykredit. Nykredit's IT environment must be sufficiently secure to withstand generally known cyberattacks and sufficiently robust for systems to be restored within the scope of the contingency plan objectives.



Governance

IT Security & Privacy sets the framework for IT security in the Group, and the business units must ensure compliance with this framework. The Executive Board has overall responsibility for compliance with personal data protection legislation, whereas the individual business units are responsible for the day-to-day risk management. Our compliance function includes a Data Protection Officer (DPO) tasked with assessing, monitoring and reporting on the effectiveness of Nykredit's methods and procedures. A governance structure in relation to our Data Ethics Policy is in place, according to which Nykredit's Data Governance Committee reviews data ethics issues quarterly.

Policies

- IT Security Policy
- Privacy Policy
- Personal Data Policy
- Data Ethics Policy



Activities and achievements

- Conducted several controls related to personal data and IT security.
- Continued effort to ensure that personal data are processed and erased as prescribed by current legislation.
- Continuously worked to improve IT security to resist the current threat landscape.
- 98% of our colleagues have completed and passed certification and e-learning programmes in the area of personal data. Similarly, 98% of our colleagues have completed IT security training (the percentage is lower than 100% because of leave, illness, change of jobs etc).

- Completed internal control programmes to ensure compliance with IT controls.
- Treated data ethical problems quarterly in Nykredit's Data Governance Committee in relation to Data Ethics Policy.
- Set up a GDPR committee, which is to ensure that personal data operations and development practices are firmly embedded across the organisation.
- Set up a Centre of Excellence, which implements AI in the Nykredit Group.



Risks of negative impact on society

Data security breaches may result in serious harm to society and violations of individuals' privacy.

Nykredit's risk

Cyberattacks and breaches of data security may lead to financial losses and harm Nykredit's reputation and customers' trust in us. Personal data security breaches may also result in Nykredit being fined.

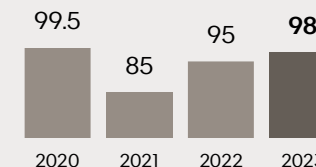


Ambitions for 2024

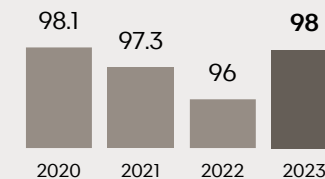
- Regular testing of IT security.
- Raise awareness of IT security through education and training.
- Continue to fortify IT solutions against cyberattacks.
- Follow up on measures identified during controls.
- Continue to implement any measures required to protect the personal data we collect and process, for instance by carrying out additional controls.
- Quality assurance of the required system support in the personal data area.
- Continue to support measures to tighten IT security requirements for suppliers.

Key figures and targets

Colleagues having completed and passed IT security e-learning and tests (%)



Colleagues having completed and passed data protection e-learning and tests (%)



People

"We have made a pledge to our colleagues that we will prioritise their professional and personal development. It is important to me that my colleagues across the Group feel this commitment every day.

This forms the backbone of our approach to leadership, culture, learning and recruitment so that Nykredit will be perceived as a customer-owned workplace characterised by team spirit, empowerment and targeted mobility, where we do not leave career development to chance."

Trine Ahrenkiel, Executive Vice President, People & Identity

People

Nykredit as a customer-owned workplace

In recent years, Nykredit has focused on solidifying our position as a customer-owned financial provider that takes a special responsibility for running our business to the benefit of our customers and society as a whole. Indeed, our mutual ownership structure and differentiation potential are what make Nykredit a unique employer.

Over the coming years, we are committed to building the best workplace not just in the financial sector but in Denmark in the longer term as a way to secure Nykredit's competitive position. To do this, we have to create working conditions that make for satisfied and proud colleagues with a high level of wellbeing, build strong leadership, establish the best internal job market in the sector and cultivate a culture characterised by team spirit, equality and empowerment.

We work systematically to position Nykredit's organisation for the future so that we can realise our strategy and business plan. Our annual organisational reviews help the Group's management teams identify needs, opportunities and risks within the themes Organisation, Management and People so that we can deliver on our business strategy.

Continued high colleague engagement

Work fulfilment, colleague engagement and development are key to ensuring the best workplace, which is part of the formula for success. This has always been a focus area at Nykredit, and 2023 was no exception.

Nykredit's annual colleague engagement survey showed that people are proud to work for Nykredit. The results of the survey are at or above our external benchmark on all themes covered. We are particularly proud of the high scores on parameters such as work fulfilment, management, collaboration, learning and development as well as diversity and inclusion – and that our colleagues would to a high degree recommend others to work for Nykredit. This has not changed despite uncertain market conditions and unpredictable times.

Uncertain market conditions call for continuous upskilling

In times of uncertain market conditions, customers more often need to talk about the impact of markets on their finances and financial security. We are strengthening the capacity of our customer-facing colleagues, providing them with the skills and tools required to have the right conversations with customers. Our initiatives, such as training to have challenging conversations with customers, strategic dialogue training or ESG advisory training,

aim at supporting our customer advisers in handling the new and changed market conditions.

The purpose of the initiatives is to equip our employees with the tools required to help our customers through unpredictable times in the best possible way.

We have also updated our recruitment process to support individual colleagues' opportunity for long and developing careers at Nykredit. All job openings are posted internally to create transparency and equal access for all Nykredit colleagues. Where relevant, we explore the possibility for internal development and vacancy matching. This process is also aimed at improving diversity and reaching gender balance.

The flexible working life continues

In 2023, we continued our focus on creating a more flexible working life to the benefit of our colleagues as well as Nykredit.

With the new Group-wide collective agreement, colleagues are afforded more opportunities to work part-time as well as a higher degree of flexibility with the possibility to organise working hours individually over the year. This way, our colleagues can better balance their working life with individual needs throughout their careers.

In recent years, several units have designed "activity-based" workspaces providing staff with the option to work in different zones according to their specific need or type of assignment, for example office zones, focus zones, dynamic zones or flexible zones. The workspaces have been redesigned to achieve a warm and homely atmosphere and to support flexible seating. The new ways of working have furthered collaboration, knowledge-sharing and cross-functional relationships. Generally, it has had a positive effect in bringing different disciplines into play and optimising the use of cross-disciplinary skills.

Nykredit has also extended the remote work agreement with the Financial Services Union Denmark. Under the agreement, the individual manager and team member can continue to arrange flexibility and remote work, always prioritising customers, business performance and the wellbeing of the team and the individual staff member. Our colleagues can always choose to work entirely from Nykredit's offices, and management will always be charged with determining the suitability and extent of remote work of a specific function. It is a prerequisite for remote work that all colleagues have the equipment required in accordance with the Health and Safety at Work Act.

We prioritise the development of our colleagues

Nykredit remains focused on building a desirable workplace, attracting and attaching skilled people and strong talents in a culture focused on community and development. We have therefore made this pledge to our colleagues:

"We will prioritise development and opportunities for people who will and can make a difference. We want to be known for our trusting culture guided by customer centricity, team spirit and empowerment."

In alignment with the pledge to our colleagues, it is our ambition and obligation to strengthen the professional and personal skills of our workforce, in the short and long term. At the same time, this pledge is a key part of our work on strategic skills development, which is to ensure Nykredit's competitiveness. Our upskilling initiatives are based on existing business needs and current and future regulatory requirements to ensure that our colleagues have skills that customers require, including the ability to provide the best advice, exploit digital opportunities and comply with regulatory requirements and Nykredit's Code of Conduct. In 2024, we will also work on implementing artificial intelligence (AI) and developing the skills of designated colleagues in the use of AI. Our colleagues should be able to navigate and benefit from the new ways of working.

One element of our annual organisational reviews is to identify any future competencies needed in the respective units and how best to acquire them. To ensure development of colleagues who will and can make a difference, our focus is on strengthening our people via local upskilling and by promoting internal job transfers as a way to broaden expertise and experience. Another

important part of our organisational review is our annual people reviews, where management teams identify colleagues with unrealised potential for more responsibilities or management potential. This may be realised by way of a broader task portfolio in the colleague's current role or wider responsibilities in a new role. Specific development plans are prepared, supplemented by continuous performance conversations between team leads and team members to ensure motivation and continuous development of skills.

Every year, all our colleagues complete mandatory training and certification in the prevention of financial crime, IT security and personal data protection. In addition, all members of staff and management were offered basic sustainability training in 2022 and 2023. This training has been supplemented with specialised training programmes for selected target groups. Also, all Nykredit colleagues may receive skills enhancement through a specialised joint financial sector scheme that offers a broad range of courses and training programmes for financial sector employees (Finanskompetencepuljen).

In addition, relevant business-specific training programmes are provided as a cornerstone in ensuring a professional skills level that at all times surpasses or matches that of the rest of the financial sector. We are implementing a number of development and dedicated accelerated training programmes to selected talents who will and can. Here, they can develop their professional and personal skills, so that they can contribute even more actively to Nykredit's growth and development. In 2023, we have completed the programmes described in the box below:

Performance and development

In 2022, we adjusted our performance management process and increased our focus on continuous performance conversations about colleagues' goals, behaviour, development and wellbeing. We also introduced "will and can conversations" focusing on colleagues' careers now and in the long term.

Incorporating the new processes in the day-to-day work is still ongoing so that both team leads and team members can benefit fully from the conversations. The frequency of the performance conversations is flexible, and the conversations may take place at the frequency that best suits the individual team member and team lead. More frequent and continuous performance conversations and feedback are designed to heighten motivation, promote development and improve performance. The "will and can conversations" should be flexible, and people should feel that it is possible to have a long and fulfilling career at Nykredit.

The effects of the new process were already clear in the colleague engagement survey for 2022, where the response to the question "My manager and I are in continuous dialogue about my development" showed a high degree of satisfaction – a score maintained in 2023.



Upskilling our people

- Basic Sustainability Training 2.0 for all members of management and staff, focusing on greener owner-occupied dwellings and real estate
- Statutory training and certification of all staff members in the prevention of financial crime, IT security and personal data protection
- All our people have development and performance reviews

Upskilling selected colleagues

- Targeted sustainability training programmes for selected target groups, for example colleagues in business banking, credit management, valuation and lease finance – to ensure relevant and contemporary advisory services
- Training and certification in investment products, Insurance Distribution Directive (IDD), home loans and credit management for personal banking and business banking advisers and specialists
- Relevant training of Nykredit's customer-facing colleagues in, for example, the new property tax reform, green acceleration, new property financing system, new budget tool, heat source calculator and electric car calculator
- Nykredit Academy: Personal development and sales training for banking advisers
- Retail Pipeline: Career and development opportunities for selected customer-facing colleagues
- Graduate Programme: 1-year programme for graduates
- Training programme for AP graduates in financial management and finance bachelors
- New managers: Introduction to management at Nykredit

Basic Sustainability Training 2.0

In 2022, we launched basic sustainability training for all members of Nykredit's staff and management. The following year, in 2023, we launched Basic Sustainability Training 2.0 for all members of management and staff, now focusing on greener owner-occupied dwellings and real estate. Our goal was for all employees to have completed the training programme by the end of 2023.

Our special focus on greener owner-occupied dwellings and real estate is due to the crucial role they play in the sustainable transition, particularly in terms of reducing Denmark's greenhouse gas emissions. With Nykredit's loan portfolio for owner-occupied dwellings and real estate, we can make the biggest difference by cooperating with our customers and helping them make more sustainable choices.

In 2023, we supplemented with several training programmes aimed at various fields, such as the business banking and credit management areas, to ensure strong advisory services.

It is essential to us that we ensure common standards, skills and a common language with respect to sustainability – when meeting with customers, designing new solutions or collaborating across functions and units. These training initiatives play a key role in our work on social responsibility and sustainability.



People

Colleague engagement, health, wellbeing and development



Societal challenges

Sustainable development and responsible business operations require qualified, engaged and satisfied people. Job engagement and wellbeing at work are essential to the everyday life of the individual and to Nykredit's ability to make a positive contribution to the communities we serve.



Nykredit's response

Nykredit's ambition is to create the very best workplace in the financial sector over the coming years. It is our colleagues that create value to customers, to society and to the business. Nykredit wants to stand out as a customer-owned workplace that attracts skilled people. To do this, we have to focus on creating working conditions that make for satisfied and proud colleagues.

We are committed to developing our people and training their requisite skills to match customer needs, provide the best advisory services and comply with legislation. Nykredit provides room for staff participation at the workplace and for staff to exercise their rights. One way is through the Group Works Council and the Group Health and Safety Committee as well as staff-elected members of the Board of Directors, supplemented by the union representative system and working environment representatives.



Governance

The Executive Vice President of People & Identity is in charge of our work with colleague engagement, health, wellbeing and development.

Policies

- Code of Conduct
- Group Collective Agreement
- Freedom of Association Policy
- Corporate Culture Policy



Activities and achievements

- Completed the annual colleague engagement survey with continued high scores on job engagement, wellbeing, loyalty and learning.
- Completed upskilling and talent programmes for selected target groups, including Nykredit Academy, Retail Pipeline, Graduates as well as programmes for AP graduates and bachelors.
- Completed various activities to strengthen management locally in our management teams, focusing on team spirit, empowerment, constructive feedback culture, responsible business practices, team performance and inclusive management.
- Updated recruitment process with sharpened focus on internal mobility.
- Introduced virtual communities to support knowledge-sharing and communication across units, business areas and geography.
- Continued focus on talent development, wellbeing and careers as part of the performance management process.
- Updated our Corporate Culture Policy based on Nykredit's four behavioural skills: customer centricity, responsibility, team spirit and drive.
- Increased opportunities for a flexible and meaningful working life.
- Launched Basic Sustainability Training 2.0 for all members of staff and management.
- Completed statutory training and certification of all staff relating to the prevention of financial crime, IT security and data protection.
- Completed specialised training in the field of sustainable properties for specific employee groups, including business advisers, credit and valuation specialists.



Risks of negative impact on society

Lack of wellbeing may have serious consequences for the individual colleague's physical and mental health. At the same time, Nykredit and our workforce are navigating a changeable labour market with new skills requirements. If Nykredit's workforce does not possess the required skills, it could lead to inadequate advisory services or a failure to comply with requirements for responsible business conduct.

Nykredit's risk

If Nykredit does not ensure that our people have the right skills and provide the setting for a healthy and secure working environment, there is a risk that we will lose colleagues and, ultimately, that Nykredit does not meet society's and our customers' expectations of us.

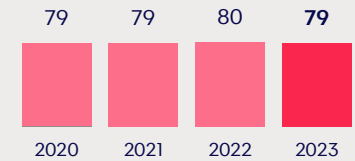


Ambitions for 2024

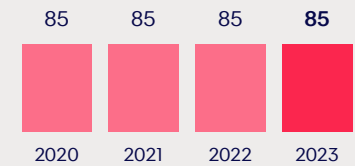
- Continue to create an effective internal job market at Nykredit, where structured mobility and clear career paths are central elements of the culture.
- Continue to strengthen leadership skills and integrate tools from Nykredit's Winning the Double management academy I-III to promote cooperation, team spirit, empowerment, team development, feedback, better customer service as well as diversity and inclusion.
- Further consolidate our performance management concept to ensure focus on development, performance and wellbeing for all colleagues.
- Introduce IPE classes (job levels) in the entire organisation to ensure a uniform and structured approach to the reward process.
- Implement a skills development policy within artificial intelligence (AI) and strengthen relevant colleagues' skills in the field.
- Continue to complete sustainability training for selected target groups at Nykredit to ensure relevant upskilling that matches different job profiles.

Key figures and targets

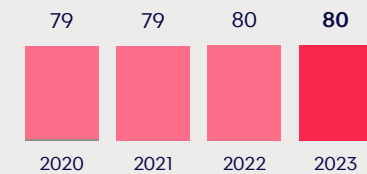
Colleague engagement (index 100)



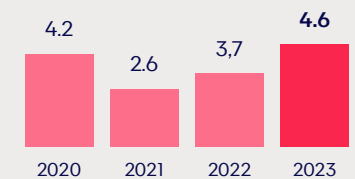
Loyalty (index 100)



Learning and development (index 100)



Average days of absence due to illness (days/FTE)



Diversity and inclusion

At Nykredit, we regard diversity and inclusion as important prerequisites for operating a sound business to the benefit of our customers, colleagues and society – now and in the future. Nykredit wants a diverse workforce that, together, reflect the diversity of our customers and society.

It is important to us that Nykredit is an inclusive workplace, where all staff members have equal opportunities and feel respected and involved. We believe diversity serves as a catalyst for development, growth and wellbeing. In 2023, we especially sought to promote the general understanding of diversity and inclusion by integrating more diversity parameters in our work.

26 weeks of paid maternity/paternity leave

In 2022, as the first employer in Denmark in the financial sector, Nykredit offered both mothers, fathers and co-parents the right to 26 weeks of paid maternity/ paternity leave. We are committed to ensuring that a family's financial situation does not dictate the distribution of maternity/paternity leave. Already in 2023, we saw a significant increase among our male colleagues, who now take an average of 22 weeks of paternity leave, compared to the previous 11 weeks. This is an important step towards realising our ambition to create an inclusive workplace with equal opportunities for all.

On the same occasion, we implemented a new tool facilitating dialogue between colleagues on maternity/paternity leave and their managers. We believe a better dialogue between the managers and staff members before, during and after maternity/paternity leave helps facilitate a good return to work. One result of the dialogues is that more colleagues have received new roles or career opportunities, such as for instance their first management position, either just before going on or returning from maternity/paternity leave.

Minority as a new theme in our colleague engagement survey

Diversity and inclusion efforts must be based on solid data to have a real impact. Surveys provide us with data that tell us where to take action to drive positive change.

In 2023, we expanded our colleague engagement survey with questions about whether you identify as belonging to a minority group and, if so, which group. This new theme was added to gain a deeper understanding of the correlations between an individual's wellbeing and the experience of belonging to a minority group. The answers will be used to strengthen our diversity, equality and inclusion efforts. In addition to these new questions, we have, since 2019, measured diversity and inclusion, asking an increasing number of questions over the years.

In 2022 and 2023, we have included these three questions:

- "In my unit all staff members have equal opportunities regardless of gender, age, nationality, sexual orientation etc."
- "I feel that I belong at Nykredit."
- "In my unit I feel that everyone's ideas and opinions are heard and valued."

The scores are high for all three questions. We see this as evidence that our initiatives are working. We make a targeted effort to maintain and improve the current, positive experience of Nykredit among our colleagues. All data are available in our Sustainability Fact Book.

Specific initiatives to promote gender diversity in management

We are committed to strengthening gender balance in the organisation through specific initiatives and significant attention from senior management. These years, particular focus is on ensuring gender diversity, including equal gender opportunities for leadership at all levels at Nykredit.

When recruiting new colleagues, we are targeting an equal gender balance, but skills and qualifications remain the decisive factors in the selection of candidates. It is important to us that we ensure the representation of all genders in the recruitment process. We conduct exit interviews with female managers who have resigned from their job with Nykredit to learn how we can target our initiatives to ensure that Nykredit is and remains an attractive workplace for female managers. We have also stepped up our efforts to attract more women to our graduate programme and to single out female role models in external and internal communications.

As part of new and long-term efforts, we are now and in the coming years working with systematic and targeted skills and career transitioning. In 2024, our focus will be on Banking Retail, and after that we plan to introduce the programme to Nykredit's other business areas. The purpose is to strengthen skills development and career transition opportunities among potential and existing advisers and managers and to support the development of a balanced pipeline to managerial positions.

Particularly, the personal and business banking segments provide a huge potential for diversity and an uplift in the gender balance, including attracting more women

candidates into management positions in the organisation, where skills and experience from the business banking segment are indeed key to filling the role.

Female managers by management level (%)	2019	2020	2021	2022	2023
Top	20%	18%	19%	25%	24%
Middle	26%	28%	33%	30%	33%
First	39%	43%	38%	45%	52%

The chart shows the proportion of women by management level.

Gender distribution of Nykredit Group managers (%)	2019	2020	2021	2022	2023	2030 target
Women	29%	30%	32%	33%	37%	45%
Men	71%	70%	68%	67%	63%	55%

The chart shows the total proportion of female and male managers in the Nykredit Group.

Taking a strategic approach to diversity and inclusion, we are addressing this area at three levels:



In 2022, we announced our new targets for an improved gender balance among our managers. We have set a long-term target of 50% male and 50% female managers in the Group – and we will launch new initiatives to speed up the process. Today, the percentage of female managers at Nykredit is 36.6%. In the sector we operate in, this is slightly above average. Going forward, intense focus will remain on ensuring equal representation of female and male candidates for recruitment, promotion and internal reassignment/reorganisation at all levels of management.

Everyone should experience equality of opportunity

We want to create the right setting where everybody feels that they have equality of opportunity. Equality of opportunity is about creating the same opportunities (in life) for everyone – whatever their background. As part of this work, in 2023, we offered five young people with refugee experience and ethnic minority backgrounds a student job via Foreningen Lige Adgang (the Association Equal Access), a Danish association working to promote an inclusive labour market for everybody experiencing barriers in relation to gender, ethnicity, sexual orientation or background. Through this partnership, we build skills and knowledge within the organisation regarding, for example, how to onboard new colleagues who have a different work experience or background or who may need an extra hand in the onboarding process – but who otherwise have the right qualifications for the job. In our view, this collaboration has served to promote a positive trend from a societal perspective, while making good sense from a business perspective.

As another example of bringing broader diversity into play in the organisation, we held our NykreditTalks in August 2023, targeting all Nykredit colleagues as a lead-up to our activities in connection with Copenhagen Pride.

The purpose was to improve understanding of how ethnic minorities, in particular, may experience different barriers and a limited professional network in the transition to the labour market. Barriers that may ultimately keep otherwise talented people from applying for a job with Nykredit. In our view, it is basically about building a culture where everybody is thriving and where we actively work to ensure Nykredit is perceived as an attractive workplace for all.

In April 2023, we invited Caroline Farberger, who is a Swedish transgender CEO, to join us at a customer event and to give a talk to all of us at Nykredit. Caroline shared her personal story about breaking with the norm – whilst also being CEO – first as a man, and now as a woman. The visit improved our understanding of the difference between male and female leaders.

We also implemented Develop Diverse, an AI-based software solution. The tool is designed to suggest and thereby ensure a more inclusive language in our job posts and on different communication channels by analysing and neutralising socially stereotypical content. Finally, in 2023, we hosted the Women's Board Award as an element of promoting diversity on Danish boards of directors.



Equal pay for equal work

Nykredit's pay systems and practices must be gender-neutral and support equal pay for equal work. To support pay equality, pay grades are determined based on a recognised job evaluation system (Mercer IPE), which considers four factors such as performance, communication, complexity, innovation and skills. The pay level is determined based on three Ps: position (role), person (skills and potential) and performance. The system supports objectivity in the determination of pay. We regularly monitor and measure pay gaps between men and women, determined according to position impact. The figures are used in the individual manager's basis for decision in connection with pay rounds, just like equal pay has become part of our annual organisational review.

Evidently, Nykredit – and the financial sector at large – has an important job in understanding and eliminating the pay differences still existing. As part of this work, managers are encouraged to actively ensure that individual pay rises support a positive trend towards equal pay, and our HR operations are charged with overseeing that we take a balanced approach in this area. In addition, an overview of the pay pattern of individual units is included in the annual organisational review as part of the management team's position on which HR initiatives should be particularly focused on in the coming year. All data are available in our Sustainability Fact Book.

During the collective bargaining between Nykredit and the Financial Services Union Denmark, it was agreed to implement a new and more transparent pay system in 2024. The pay system is to help eliminate pay differences and provide insight into and influence on the distribution of funds allocated for pay rises.

The system will help clarify the relationship between pay, job content, skills and performance for our colleagues. We expect that such clarity will help provide important predictability for all parties involved and ensure that we meet the future EU reporting requirements that will be imposed on our type of company in this area.

Pay gap between women and men

IPE class = Internal Position Evaluation	Pay gap	In favour of (Women/Men)
57	2.5%	Men
56	6.5%	Men
55	2.1%	Men
54	3.9%	Men
53	0.1%	Men
52	5.6%	Men
51	3.0%	Men
50	0.8%	Men
49	2.8%	Men
48	0.9%	Women
47	5.0%	Women
46	9.7%	Women

The chart shows weighted pay gap between women and men with similar position impact ranking. * Includes staff under collective agreement, the IPE class consisting of more than 10 representatives of each gender.



Female board representation

Nykredit has set targets for the proportion of women on its Board of Directors. Our Diversity and Non-Discrimination Policy emphasises that, in addition to professional and personal skills, regard must be had to diversity in terms of, for example, gender, age and nationality when composing and recruiting for the Board of Directors. The aim is to ensure that the Board of Directors is composed of the best qualified persons, also reflecting the diversity seen across the organisation.

As one of few among the professional boards in Denmark, Nykredit's Board of Directors has been chaired by a woman since 2020. Consequently, both Nykredit A/S and Nykredit Realkredit A/S are chaired by women. Following an amendment to the Danish Financial Business Act, staff-elected board members do not count towards the gender target as from 2023. Nykredit's determination for 2022 and 2023 therefore no longer includes these board members, and this has had an impact on our target achievement for Nykredit A/S, among other things.

that an equal gender balance has been achieved, see guidelines from the Danish Business Authority. The targets set for Nykredit A/S, Nykredit Bank A/S and Totalkredit A/S have not been met. The Boards of Directors of Totalkredit A/S and Nykredit Bank A/S are composed of three and four Nykredit Group Executive Board members, respectively. As there are currently no women on the Group Executive Board, the targets for the representation of women could not be met with respect to these boards in 2023.

In 2023, we met our 2025 target for Nykredit Realkredit A/S and Nykredit Portefølje Administration A/S, meaning

Female board representation

Company	2019	2020	2021	2022 incl staff-elected members	2022 excl staff-elected members	2023 excl staff-elected members	2025 target
Nykredit A/S	33%	40%	40%	40% (6 out of 15)	30% (3 out of 10)	30% (3 out of 10)	40%
Nykredit Realkredit A/S	38%	42%	42%	42% (5 out of 12)	38% (3 out of 8)	38%* (3 out of 8)	40%
Nykredit Bank A/S	17%	17%	17%	17% (1 out of 6)	0% (0 out of 4)	0% (0 out of 4)	20%
Totalkredit A/S	11%	0%*	0%	0% (0 out of 3)	0% (0 out of 3*)	0% (0 out of 3)	25%
Nykredit Portefølje Administration A/S**	-	40%	25%	50% (2 out of 4)	50% (2 out of 4)	50% (2 out of 4)	40%**
Nykredit Leasing A/S***	-	-	-	-	-	25%*** (1 out of 4)	40%

* Within the meaning of the law, an equal gender balance implies a 40%/60% distribution of women and men. An equal gender balance on a board of directors consisting of 8 members is achieved at a ratio of 3:8, equal to a 37.5%/62.5% distribution, see guidelines issued by the Danish Business Authority.

**At Nykredit, the Boards of Directors of Totalkredit A/S and Nykredit Bank A/S are composed of 3 and 4 Group Executive Board members, respectively. As there are currently no women on the Group Executive Board, the targets for the representation of women could not be met with respect to these boards in 2023.

***Nykredit Leasing A/S was added in 2023. An equal gender balance on a board of directors consisting of 4 members is achieved at a ratio of 1:4, see guidelines issued by the Danish Business Authority.

Diversity and inclusion



Societal challenges

A lack of diversity and underrepresentation may result in failure to unlock the full potential of current and potential staff members. When a company fails to build a diverse workforce and management that reflect broader society, staff members belonging to minority groups may feel overlooked or discriminated against. Also, it may hamper a company's innovative power and have a negative earnings impact because of the absence of an enriching mix of skills, experience and perspectives. Pay gaps between persons of different genders with the same experience, education, job level etc can lead to general inequality. It may affect the level of engagement and motivation and have a negative impact on a company's ability to attract and heighten staff attachment.



Nykredit's response

Community, equality, team spirit and empowerment are essential at Nykredit. We believe that together we are more. As a customer-owned company, it is vital to us that Nykredit is recognised as an inclusive workplace where all staff members feel they can be themselves and that their unique contribution is both recognised and included. In recent years, we have in particular championed gender-balanced management. This will remain a priority, supplemented with additional focus on bringing broader diversity into play so as to challenge conventional thinking and generate creative and innovative solutions for the benefit of our customers, our colleagues and society.



Governance

The Board of Directors approves targets recommended by the Executive Board for the under-represented gender in Management and on the Boards of Directors. The Executive Vice President of People & Identity is in charge of implementing the initiatives launched to realise the targets.

Policies

- Diversity and Non-Discrimination Policy
- Remuneration Policy



Activities and achievements

- Launched and implemented initiatives at the structural, management and individual levels to recruit, develop and retain more women in management.
- Launched targeted skills and career transition programmes in Retail Banking to strengthen the career paths of women as well as men to management positions.
- Integrated focus on diversity, inclusion and bias in Group-wide development and talent programmes.
- Increased focus on gender balance and internal recruitment of graduates.
- Incorporated the theme of "Diversity and Inclusion" into Nykredit's colleague engagement survey to strengthen our insight into the wellbeing of minorities in the organisation.
- Extended the annual organisational review process, focusing particularly on equal pay.
- Recruited five students with refugee experience and ethnic minority background via a student job programme at Foreningen Lige Adgang (the Association Equal Access).
- Held NykreditTalks for the entire organisation on diversity, inclusion and bias.
- Nykredit participated as partner in Copenhagen Pride for the 13th consecutive year with 200 members of staff and management joining the parade and marking Pride week in Nykredit with local activities focusing on the LGBTQIA+ target group.
- Implemented Develop Diverse, AI-based software, to ensure a more inclusive language in our job posts and on different communication channels.
- Agreement to implement new pay structure as part of the collective agreement between Nykredit and the Financial Services Union Denmark to ensure greater pay transparency.



Risks of negative impact on society

A lack of diversity and underrepresentation may result in failure to unlock the full potential of current and potential staff members. It may impede the progress of businesses and society.

Nykredit's risk

There is a risk that we fail to notice potential due to affinity bias in recruitment and promotion situations – favouring candidates who resemble ourselves. This could lead to an insufficient breadth of skills in the Group and, by extension, a risk of decreasing quality, productivity and innovation. There is also a risk that our customers and colleagues get a sense of not being understood or matched in terms of their needs with a resulting decline in customer and colleague engagement.

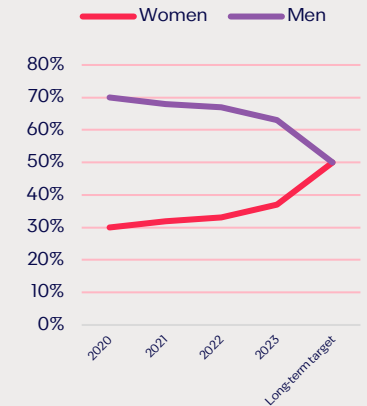


Ambitions for 2024

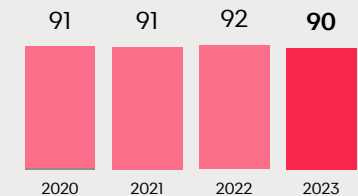
- Continue to focus on ensuring equal representation of female and male candidates in recruitment and promotion processes.
- Strengthen and support the internal job market with initiatives to further accelerate broad diversity at Nykredit.
- Continue to focus on systematic and targeted skills and career transitioning.
- Diversity and inclusion upskilling of colleagues through local training activities.
- Implement a new pay structure to ensure more equal pay.
- Strengthen local training of team performance and team development through targeted tools.

Key figures and targets

Gender distribution of Nykredit Group managers (%)






In my unit all staff members have equal opportunities regardless of gender, age, nationality, sexual orientation etc (index 100)



ESG Overview: Prioritised initiatives and selected key figures

Societal challenges	Initiative	UN SDGs	Financial ratios	2019	2020	2021	2022	2023	Target
Access to finance for homeowners and businesses is essential to Danish society and to growth and prosperity all across the country.	Development and growth throughout Denmark	 	CET1 capital ratio (%)	19.5	20.2	20.6	19.5	20.4	-
			Repayment loans, Totalkredit portfolio (%)	56%	57%	57%	57%	58%	-
			Fixed-rate loans, Totalkredit portfolio (%)	54%	59%	63%	53%	52%	-
Buildings play a key role in achieving the climate targets. Replacement of heat sources, energy renovation of existing homes as well as new sustainable buildings are needed.	Greener owner-occupied dwellings	  	Lending covered (DKK billion)	-	-	905	768	807	-
			Emissions financed (ktCO ₂ e)	-	-	1,031	639	581	-
			Emission intensity (tCO ₂ e/m ² /year)	-	-	16.9	14.4	12.5	4.2 in 2030
Energy consumption in buildings makes up around 45% of Denmark's total energy consumption. Existing buildings need to undergo renovation, and new buildings should be as climate-friendly as possible.	Greener real estate	Residential real estate	Lending covered (DKK billion)	-	-	299	278	256	-
			Emissions financed (ktCO ₂ e)	-	-	374	182	156	-
		Commercial real estate	Emission intensity (tCO ₂ e/DKK million)	-	-	12.0	8.7	8.2	3.0 in 2030
			Emission intensity (tCO ₂ e/DKK million)	-	-	15.8	12.4	11.5	5.5 in 2030
Danish agriculture accounts for about 20% of total greenhouse gas emissions in Denmark.	Greener agriculture	   	Lending covered (DKK billion)	-	-	86	81	82	-
			Emissions financed (ktCO ₂ e)	-	-	2,093	2,041	2,052	-
			Emission intensity (tCO ₂ e/DKK million)	-	-	22.6	23.2	25.0	11.0-13.4 in 2030
Denmark has set an ambitious target of reducing its greenhouse gas emissions by 70% by 2030 compared with 1990. This will require massive investments in the green transition.	Greener businesses		Lending covered (DKK billion)	-	-	87	81	83	-
			Emissions financed (ktCO ₂ e)	-	-	799	713	733	-
			Total volume of green bonds (DKK million)	5,884	9,099	22,528	31,321	32,022	-
There is a need for massive investment in companies that contribute to sustainable global development and for investors that engage with companies to adopt responsible business practices and contribute to the green transition.	Sustainable investments		Investments included (DKK billion)	-	-	523	510	552	-
			Emissions financed (ktCO ₂ e)	-	-	2,968	2,731	2,534	Carbon neutral by 2050
			Emission intensity (tCO ₂ e/DKK million)	-	-	5.7	5.3	5.4	60% reduction from 2020 to 2030
			Equity funds with above-benchmark ESG ratings (%)	47%	57%	71%	60%	61%	-
			% of equity AuM where Nykredit participated in general meetings	49%	33%	36%	70%	99%	100% in 2023

Societal challenges	Initiative	UN SDGs	Financial ratios	2019	2020	2021	2022	2023	Target
Businesses impact the climate and the environment through their production.	A greener Nykredit	 	Total emissions, operations (Scopes 1+2)			727	490	1062	85% reduction from 2021 to 20230
			Emissions per FTE (kgCO ₂ e/m ² /year)	0.63 (42% reduction)	0.33 (48% reduction)	0.26 (21% reduction)	0.43 (62% reduction)	0.55 (53% reduction)	5% annual reduction up to 2025
			Total MWh consumption	15,277	14,599	13,815	12,436	11,061	25% reduction from 2017 to 2025 = 13,056
			Percentage of recycled waste (%)	51%	47%	54%	56%	55%	80% in 2023
Purchases of products and services can indirectly impact the climate. Using suppliers and subsuppliers also involves a risk of human rights violations and corruption.	Responsible procurement	 	Waste per FTE (kg)	137	96	100	100	102	100 kg in 2023
			Products carrying the Nordic Swan Ecolabel (%)	27	29	35	Results for Q2/2023	Opgøres i 2. kvartal 2024	-
			Number of completed eco-challenges	-	9	10	15	15	15 in 2023
			Percentage of colleagues having completed and passed AML e-learning programmes and tests (%)	95.6%	98.2%	95%	97.4%	98%	-
Financial crime is extremely harmful at both the national and international levels.	Initiatives to combat financial crime								
Financial institutions have a major responsibility for ensuring responsible advisory services in relation to their products and services.	Responsible business practices	 	Number of conduct risks	-	120	127	126	103	
In the financial sector, data breaches and loss of personal data may harm society and have serious consequences.	Personal data, IT security and data ethics		Percentage of colleagues having completed and passed IT security e-learning programmes and tests (%)	97.9%	99.5%	85%	95%	98%	-
			Percentage of colleagues having completed and passed data protection e-learning and tests (%)	95.0%	98.1%	97.3%	96%	98%	-
A qualified, dedicated and satisfied workforce is a prerequisite for sustainable and responsible business operations.	People	 	Colleague engagement (index 100)	77	79	79	80	79	
			Loyalty (index 100)	84	85	85	85	85	-
			Learning and development (index 100)	78	79	79	80	80	
			Average days of absence due to illness	5.1	4.2	2.6	3.7	4.6	-
A lack of diversity and representation may result in failure to unlock the full potential of current and potential staff members.	Diversity and inclusion	 	Female managers by management level (%)	20%	18%	19%	25%	24%	45%
			Gender distribution of Nykredit Group managers (%)	26%	28%	33%	30%	33%	45%
				39%	43%	38%	45%	52%	45%
				29%	30%	32%	33%	37%	50%
			71%	70%	68%	67%	63%	50%	
Equal opportunities regardless of gender, age, nationality, sexual orientation (index 100)	90	91	91	92	90	100			

Accounting policies

The Corporate Responsibility Report covers the entire Nykredit Group and provides a detailed account of the Group's corporate responsibility efforts and performance based on a number of key figures in 2023. The report forms the Group's:

- Communication on Progress to the UN Global Compact, which we signed in 2008
- Reporting on the UN Principles for Responsible Banking signed by us when introduced in 2019
- Report on corporate responsibility, see section 135b of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.
- Report on diversity in management, see section 134(1)(8) of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.
- Report on Nykredit's Data Ethics Policy, see section 135d of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

This report was prepared to meet the reporting obligations outlined above and is not to be considered as an offer to buy or sell securities, nor should the report be considered as an investment research note or as an investment recommendation.

The report is supplemented by Nykredit's Sustainability Fact Book 2023, which is available at nykredit.com/samfundsansvar. Nykredit's Sustainability Fact Book includes all of the Group's ESG key figures and a number of data other than those contained in this report as well as references to other reporting.

This report and the Sustainability Fact Book 2023 have been prepared in accordance with the Global Reporting Initiative (GRI) Standards. Nykredit's GRI Index is included in the Sustainability Fact Book 2023.

The statements of resource consumption of, and greenhouse gas emissions from the operations of the Nykredit Group and its subsidiaries have been externally verified by FORCE Certification A/S. Other key figures in this report are not subject to external audits. The decision not to carry out an external audit with limited assurance of the PRB reporting for 2023 rests on the fact that there is considerable overlap between our PRB reporting efforts and the preparations enabling Nykredit to report in accordance with the CSRD as from the financial year 2024. Nykredit's PRB reporting from the financial year 2024 will be subject to audit with limited assurance. In accordance with Nykredit's business procedures for the preparation of Nykredit's Corporate Responsibility Report, data provided have been coordinated with Group Finance to ensure consistency with Nykredit's other reporting. All

key figures have been determined for the calendar year 2023, unless otherwise specified.

Development and growth throughout Denmark

CET1 capital ratio: Common Equity Tier 1 capital (excluding Additional Tier 1 capital) divided by the risk exposure amount.

Portfolio proportion of repayment loans, Totalkredit: Nominal bond debt outstanding on repayment loans divided by Totalkredit's total nominal bond debt outstanding.

Portfolio proportion of fixed-rate loans, Totalkredit: Nominal bond debt outstanding on fixed-rate loans divided by Totalkredit's total nominal bond debt outstanding.

Determination of climate footprint

The carbon footprint of the Nykredit Group's operations, lending and investments has been determined using [Finance Denmark's CO₂ model for the financial sector](#).

Scope 1: Comprises direct greenhouse gas emissions from sources owned or controlled by Nykredit, including direct combustion from fuels and our vehicle fleet. A few of Nykredit's customer centres are heated by direct

combustion of natural gas. Travel by company cars includes travel by the Group's own or leased vans, company cars and internal mail vans. The mileage of Nykredit's own cars is based on the estimated annual average mileage of a company car. Travel by and emissions from leased company cars are stated as mileage (km) based on litres of fuel purchased per car.

Scope 2: Comprises indirect greenhouse gas emissions from sources resulting from the consumption of the electricity we purchase. For example, the category includes emissions that result from our consumption of electricity and district heating. Several of our locations have district heating which is co-produced with electricity. Emissions from these facilities are distributed at a fixed electricity-to-heating ratio by applying the "200% method". This method provides a basis for an even distribution of the environmental benefits of CHP generation between electricity and district heating. Nykredit's annual climate and environmental accounts are prepared using environmental declarations/emissions factors calculated by applying the 200% method. Emissions from our electricity consumption are calculated using the emissions factors published at <http://www.energinet.dk/>. Emissions from district heating are calculated based on the most recent emissions factor from Nykredit's heating providers Høfor, Fjernvarme Fyn, Kredsløb and Aalborg Forsyning, using their delivery locations as a basis of distribution. <http://www.ens.dk/>

Scope 3: Contains other indirect greenhouse gas emissions from sources that are not owned or controlled by Nykredit, including third-party suppliers, business travel, use of IT providers and emissions from customer lending and investment activities. This category is an optional reporting category.

Nykredit has opted to include greenhouse gas emissions in scope 3 for the following sub-categories, see the GHG protocol:

Category 1: Purchased Goods and Services: Nykredit's data are hosted and managed by JN Data. Nykredit's share of JN Data's greenhouse gas emissions is calculated at 12.00%, based on Nykredit's share of the cost of operating JN Data. Actual emissions are based on Nykredit's share of JN Data's CO₂ emissions as stated in JN Data's climate accounts.

Category 6: Business Travel: For travel by taxi, calculations are made using emissions factors published at [dantaxi.dk http://www.ens.dk/](http://www.ens.dk/). And for travel by own car, calculations are made using emissions data published by the Climate Compass. Emissions data on travel by rail are obtained via the Danish State Railways (DSB), and emissions data on air travel are obtained directly from our travel agency Egencia. The travel agency uses a determination method that includes emissions from short-, medium- and long-distance flights, respectively. The method is based on the official and international DEFRA standard of the Department for Environment, Food and Rural Affairs.

Category 13: Leasing to customer: Emissions from leased passenger cars are calculated by combining a car's fuel consumption (based on Worldwide Harmonised Light Vehicle Test Procedure (WLTP) data for the individual car type) with an estimated annual distance travelled. For car types without WLTP data, average data for a car in Denmark using the same kind of fuel are used. The estimated distance travelled and average data for a car are provided by the Danish Centre for Environment and Energy (DCE). These emissions are ascribed to Nykredit at 100%.

Category 15: Lending and Investments: Finance Denmark's CO₂ model for the financial sector contains methods for estimation of financed greenhouse gas emissions from ten asset classes, with up to five levels of data quality. Nykredit's calculations are based on this model. Nykredit's share of emissions from all lending is scaled according to Nykredit's share of total financing. Unspecified personal lending and investments in government bonds are not included, seeing as no Danish or internationally acknowledged method exists for calculation of the climate footprint of these asset classes.

Lending for buildings: For the main part of the portfolio, financed emissions from mortgage and bank lending for the purchase of buildings are calculated using energy labelling data on the energy consumption of the buildings from the Danish Energy Agency. For buildings without an energy label, a distribution of energy labels is applied for buildings with similar characteristics, such as year of construction, heating source, location and building type. The energy consumption of the buildings is translated into greenhouse gas emissions by applying the emission and energy factors of the Danish Energy Agency and Energinet.

Mortgage lending for industry and agriculture as well as bank lending: Emissions from mortgage lending for industrial and large agricultural properties and from bank lending to business customers are calculated using data on the lending and emissions of the respective businesses. Financed emissions are then calculated by assigning to Nykredit its percentage share of the emissions of the respective business, equal to Nykredit's share of the lending to the business. If no information is available on the specific business, calculations are instead based on average data covering the industry of the business in question from Statistics Denmark.

Statistics Denmark provides data on the industry's lending and emissions with a delay of up to two years. Nykredit uses the most recently available data.

Car loans: Emissions from personal car loans are calculated by combining a car's fuel consumption (based on Worldwide Harmonised Light Vehicle Test Procedure (WLTP) data for the individual car type) with an estimated annual distance travelled. For car types without WLTP data, average data for a car in Denmark using the same kind of fuel are used. The estimated distance travelled and average data for a car are provided by the Danish Centre for Environment and Energy (DCE).

In this report, Nykredit's loans are divided into four initiatives: greener owner-occupied dwellings, greener businesses, greener real estate and greener agriculture.

Greener owner-occupied dwellings include mortgage lending and bank lending for owner-occupied dwellings and personal car loans. Greener businesses include mortgage lending to industry and bank lending to businesses. Greener real estate comprises mortgage lending for public housing, cooperative housing, residential rental, office and industrial properties and public housing. Greener agriculture comprises mortgage loans for agricultural properties over 10 hectares and bank lending to agricultural customers.

Listed equities and corporate bonds: The valuation applied in the weighting of companies is based on the Enterprise Value Including Cash (EVIC) method according to the European Banking Authority's technical standards for investment key figures. Climate data are provided by MSCI ESG Research, which provides data on the basis of disclosures from companies and the CDP.

Covered bonds: Nykredit has collected data directly from issuers of mortgage bonds for calculation of emissions from this asset class. Data are based on reporting from the capital centres through which the bonds have been issued. We are continuously improving the data quality and coverage.

Derivatives: Derivatives and futures are included if they follow a defined benchmark with underlying identifiable physical assets. This is of particular relevance to Nykredit's hedge funds that hedge investments using derivatives and futures of this kind. This means that the coverage ratio in the funds is low, and therefore, reporting is not relevant. We are working to develop methods in this field.

Alternative investments: The coverage of alternative investments, which in Nykredit comprises infrastructure and private equity, is limited. This means that emission calculations for this asset class are not possible for the time being. We are in dialogue with investment fund managers with a view to receiving the data required for the calculations.

Coverage ratio: Proportion of lending and investment activities included in the calculation.

Emission intensity: Financed emissions divided by lending/investments included in the calculation.

Weighted data quality: Nykredit uses the definitions of Finance Denmark's CO₂ model to determine data quality on a scale of 1-5 for each asset class. The weighted data quality score shows the proportion of lending and investment activities that apply the different calculation methods available in Finance Denmark's CO₂ model.

Total greenhouse gas emissions, operations:

Greenhouse gas emissions from operations are defined as Scope 1 + Scope 2 + categories 1+6 of Scope 3. Data thus represent the Nykredit Group's energy consumption, including external IT providers, and consumption data from travel by car, rail and air.

Greenhouse gas emissions per FTE: Total greenhouse gas emissions from direct operations divided by the number of FTEs at the end of the year. Emissions from direct operations are defined as Scope 1 + Scope 2 + category 6 of Scope 3.

Distribution of energy labels: The proportion of Nykredit's lending distributed across the energy labels of financed buildings. Data on the buildings' energy labels are provided by the Danish Energy Agency. The distribution is benchmarked against the distribution of energy labels of all Danish buildings of the same type, which is available at the Danish Energy Agency's website www.spareenergi.dk.

Taxonomy reporting

The taxonomy reporting has been presented in accordance with Article 8 on sustainable economic activities of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment (the Taxonomy Regulation) and the related Delegated Regulation ((EU) 2021/2178) on disclosure.

The reporting has been prepared using carrying amounts and in accordance with the accounting policies applied in the Nykredit Realkredit Group's Annual Report. For further description, please refer to the Annual Report.

Circumstances relevant to the taxonomy reporting are described below.

Data limitations in the reporting: The EU taxonomy imposes extensive requirements on the calculation methods used when assessing whether an economic activity contributes to climate and environmental objectives, which limits the proportion of Nykredit's total activities that can be assessed to qualify as sustainable under the taxonomy – as exemplified below. The taxonomy is not yet fully developed and implemented, including with respect to which activities are eligible under the taxonomy and which segments it applies to. As a result, parts of Nykredit's portfolio are automatically exempt from the statement that determines whether activities qualify as taxonomy-eligible or as taxonomy-aligned. Due to incomplete data, and the resulting lack of documentation, no motor vehicle loans can be found to be in alignment with the taxonomy criteria for sustainable activities. Similarly, no loans to households secured by mortgages on real estate without a valid energy label can be found to be taxonomy-aligned, as other data required to determine whether the energy efficiency of the property meets the taxonomy criteria are insufficient. Historically, data registrations of Nykredit's loans have not been developed with a view to being included in statements and reporting down to the specific activity levels defined in the taxonomy.

Finally, in the case of loans to businesses, the assessment depends on the degree to which business customers have themselves assessed their activities against the taxonomy, since it follows from the taxonomy that the assessment against the taxonomy must be based on the businesses' own taxonomy statements. However, so far, only a small number of the businesses have prepared such statement so far, and therefore, for a large part, loans to businesses cannot be assessed in terms of alignment with the taxonomy criteria for sustainable activities. As a result of the above, Nykredit's assessment of whether lending to households secured by mortgages on real estate is

taxonomy-aligned is limited to the screening criteria 7.2. Renovation of existing buildings and 7.7. Acquisition and ownership of buildings.

Physical risks: For a large number of Nykredit's activities, an assessment must be made of any physical risks associated with an activity. Physical risks are assessed on the basis of the Climate Delegated Act (the Delegated Regulation) (EU) 2021/2139. The assessment is based on comprehensive climate data covering all of Denmark. For the financial sector, e-nettet collects and exhibits this data from a number of public authority sources, such as DMI, the Danish Environmental Protection Agency and the Danish Coastal Authority. The data provides an overview of climate-related risks in Denmark, primarily related to water.

The calculated risks are based on available relevant models and on a number of future scenarios under specific circumstances. It should be noted that these calculations represent possible future scenarios and are therefore subject to some uncertainty.

In the analysis of physical risks for the taxonomy reporting, Nykredit focuses on five primary risk factors for buildings, in accordance with the principle of "do no significant harm" (the DNSH criteria). These risk factors include *storm surge, groundwater rises, coastal erosion, flooding from rainfall, and chronic flooding from rising sea levels*. The analysis is based on the climate scenario RCP8.5 of the UN's Intergovernmental Panel on Climate Change (IPCC), which represents a scenario with intensive greenhouse gas emissions and significant climate change. This approach involves the following specific assessments:

1. **Storm surge:** Builds on the assumption of a 100-year storm surge event. Nykredit has used the current levels

for classifying flooding as a storm surge. The levels have been taken from DMI's Danish Climate Atlas.

2. **Flooding from rainfall:** According to climate data, a property is considered affected if more than 30% of its land is at risk of flooding.
3. **Coastal erosion:** Properties located within 250 metres of the coast and subject to chronic erosion are identified. The risk assessment combines the distance to the coast with the rate of erosion, and a risk is only considered relevant if coastal erosion will occur within less than 100 years.
4. **Groundwater rises:** Based on a report on high groundwater in cities from 2022/2023 by the Geological Survey of Denmark and Greenland, a risk is assumed to exist if the current distance from the groundwater table to the ground surface is up to 1 metre and an increase of at least 0.1 metres is expected within the next 50 years. This also applies to properties with a groundwater distance of 1-2 metres that have a basement and where a corresponding increase is expected within the same period.
5. **Flooding from rising sea levels:** RCP8.5 predicts a sea level rise of 74 cm by 2100.

In general, mitigating measures, such as dikes, drains and the like, are not included in the risk assessment.

Acquisition and ownership of buildings (taxonomy screening criterion 7.7): In the assessment of the criterion of making a significant contribution to climate change mitigation related to the acquisition and ownership of buildings, Nykredit includes buildings constructed before 31 December 2020 with at least energy label A and buildings constructed after 31 December 2020 with at least energy label A2020. However, only about 40% of Nykredit's properties have a valid energy label. This means that a significant proportion of Nykredit's exposures are not assessed in terms of taxonomy alignment, see also the section on data limitations.

Nykredit is part of a sector collaboration set to develop a method that can be used as a basis for assessing the 15% most energy-efficient buildings in the total building stock, so that more buildings can be expected to be assessed to be taxonomy-aligned in future.

Pooled schemes: With regards to financial assets in pooled schemes, Nykredit does not yet have adequate data on which companies are subject to non-financial reporting and thus taxonomy-compliant reporting. Therefore, the statement is based on a marking of such companies by our data provider. Unless clearly marked, non-compliance with the criteria for sustainable activities in the taxonomy is deemed to exist, even though some companies may in fact be subject to taxonomy reporting obligations. In general, data are largely based on reported data from our data provider. These data are still incomplete, and improvements are expected in the coming years.

Assets under management: The statement of assets under management is based on the market value of all positions, regardless of whether these positions are in securities or the like that relate to companies subject to non-financial reporting and taxonomy reporting. Data is largely based on reported data from our data provider. These data are still incomplete, and improvements are expected in the coming years.

Sustainable investments

Nykredit applies the terms and methodologies recommended by UNPRI for the purpose of Nykredit's annual reporting to the UNPRI and other reporting. Nykredit applies the Danish Investment Association's trade recommendation for minimum handling of sustainable investments for reporting at fund level and in our overall reporting.

Data on the sustainability characteristics of issues and issuers: MSCI ESG Research is the main provider of sustainability data used in analyses, both in the investment process and in this report. Sustainalytics is Nykredit's partner when we engage with companies for breach of international standards. Sustainalytics provides supplementary data on the relevant case, along with an assessment of its progress. ISS provides analyses prior to annual general meetings of public limited companies to be used in voting decisions. ISS also provides voting statistics for this report. Nykredit also applies data sets issued by public authorities or organisations. Due diligence is performed on all data. When applying this type of information, we include the source in our reporting.

EU taxonomy alignment and eligibility of equities and corporate bonds are determined based on data from MSCI ESG Research. Nykredit has collected the data on mortgage bond issues. Identification is based on the taxonomy of housing, including in particular energy labelling.

Funds with above-benchmark ESG ratings: The proportion of Nykredit's investment funds with an above-benchmark ESG rating. The funds are ESG rated by applying MSCI's ESG rating for companies combined with a method of measuring funds. The ESG-rating is the so-called quality score, which is determined by weighting the so-called industry-adjusted score, a score of 1-10 for each company, and then weighting it for the fund and the benchmark, respectively. The benchmark is the official benchmark of the funds, which appears from their prospectuses. The statement does not include funds without a benchmark, nor does it include funds where determination of the fund or its benchmark is not possible. The same data are applied when analysing the fund and the benchmark, respectively.

Nykredit participation in AGMs: The proportion of general meetings in which Nykredit participated, relative to the total number of annual general meetings held in Nykredit's investee companies. A company may hold more than one general meeting a year, and Nykredit may purchase a position after the general meeting. If so, Nykredit is not entitled to vote, and the annual general meeting will not be included in the statement. Nykredit casts these votes through ISS's voting platform.

Together with the chapter on "EU taxonomy" and the templates in the Appendices at the end of this Report, the section above makes up Nykredit's disclosure in accordance with Article 8 of the Taxonomy Regulation and the Commission Delegated Regulation (EU) 2021/2178, including Annexes VI, XI and XII.

Resource consumption

The determination of Nykredit's resource consumption covers the Nykredit Group's headquarters and customer centres but not subsidiaries. Data on Nykredit's operations cover the period from 1 October 2022 to 30 September 2023. This reporting period has been selected to enable Nykredit to report climate and environmental data at the beginning of the following year.

Total MWh consumption: Consumption of electricity and heating for most Nykredit Group locations is determined on the basis of automatic data transfers from intelligent electricity meters. However, in a few locations, consumption of heating and water is based on quarterly meter readings or calculations using data from statements prepared by energy companies and landlords. For a few of the customer centres, data on heating are based on consumption data of previous years.

If neither a reading nor a statement from a landlord is available for a specific location, consumption will be estimated based on the average consumption of electricity or heating of other Group locations.

Proportion of recycled waste: Proportion of recycled waste relative to total waste. Waste generated by Nykredit's workforce is to varying degrees sorted at the Group's locations. Waste placed in Nykredit's (designated) containers is registered by the waste management suppliers that also determine waste fractions, expenses and kg/location per month. The determination of waste comprises combustible waste and recyclable waste. Recyclable waste comprises: electronic waste, iron and metal, paper, cardboard, plastic, bio-waste, batteries, glass and other non-combustible waste. The statement of waste is exclusive of foreign activities. Combustible waste from some of the leased locations is not included in our statistics, as the landlords dispose of the waste via regular (municipal) refuse collection.

Waste per FTE: The total amount of waste generated by Nykredit's workforce divided by the number of FTEs at the end of the year.

Proportion of products carrying the Nordic Swan

Ecolabel: The proportion of products/services carrying the Nordic Swan Ecolabel relative to the total purchase of products/services within selected product groups. The product groups are selected in alignment with Nykredit's obligations in Ecolabelling Denmark's network for green procurement.

Responsible business practices

Number of conduct risks: Total number of conduct risks identified in the Nykredit Group.

E-learning and testing in the areas of anti-money laundering, personal data and IT security awareness:

The proportion of permanent, temporary and student colleagues who, in 2023, have completed mandatory training and learning in specified areas. Staff on leave and long-term absent staff are not included in the determination.

People

Indicators from colleague engagement survey. Results of the Nykredit Group colleague engagement survey conducted in October 2023:

- Colleague engagement (index 100)
- Loyalty (index 100)
- Learning and development (index 100)
- In my unit all staff members have equal opportunities regardless of gender, age, nationality, sexual orientation etc (index 100).

Absence due to illness: The average days of absence due to illness relative to the number of permanent, temporary and student staff in 2023. Staff member's days of absence due to illness include the individual staff member's absence due to illness, including illness from covid-19. Absence due to illness of children and leave is not included.

Diversity and inclusion

Female managers by management level: Proportion of female managers at each of the Nykredit Group's three management levels.

Gender distribution of Nykredit Group managers:

Proportion of female and male managers in the Nykredit Group.

Female board representation: The proportion of female members of the Boards of Directors relative to the total number of members of the relevant Board of Directors. Following an amendment to the Danish Financial Business Act, staff-elected board members do not count towards the gender target as from 2023.

The UN's Principles for Responsible Banking

Nykredit signed the UN Principles for Responsible Banking (PRB) in 2019. The six principles for responsible banking are in natural alignment with Nykredit's current efforts and provide a strong framework for advancing our future corporate responsibility and sustainable development. Our obligations include annual progress reporting on the implementation of the principles. The main conclusions are summarised here, and the full report is included in the Sustainability Fact Book 2023.

Principle	Nykredit's progress on the implementation of the principles
 <p>Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the UN Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	<p>Nykredit's core values include a pledge to society to be active in all of Denmark and contribute to a greener Denmark. As part of our Corporate Responsibility Policy, we have committed to contributing to achieving the UN SDGs and the Paris Climate Agreement. These commitments are incorporated into the Group's strategy: One of the three strategic objectives is for us to be the customer-owned, responsible financial provider for people and businesses all over Denmark. The objective sets the framework for our regular adjustment of specific business activities so as to ensure that they contribute to meeting society's goals.</p>
 <p>Impact & targets We will continually increase the positive impact and reduce the negative impact of as well as manage the risks posed by our activities, products and services on people and the environment. To this end, we will set and publish targets for areas with the greatest impact.</p>	<p>Nykredit's corporate responsibility and sustainability efforts rest on analyses of where we can make the greatest positive and negative impact. Based on a series of key figures, we regularly analyse our impact on Danes' possibilities of obtaining loans across Denmark and of our ability to maintain active lending – also in times of crisis. In 2023 we particularly addressed Nykredit's climate impact, which is one of the areas where we have the greatest impact, and in 2022, as the first Danish systemically important financial institution (SIFI), we joined the <i>Science Based Targets initiative (SBTi)</i>, which provides methodologies for and validates corporate climate ambitions. We have also joined the Net Zero Banking Alliance (NZBA), and we have previously set climate targets for our investment portfolio and joined the <i>Net Zero Asset Managers Alliance</i>. In 2022, we also set new targets for the proportion of women at all management levels, aimed at ensuring that every other management position in Nykredit is held by a woman over time. We expect to continue and increase the depth of these analyses, while at the same time expanding the scope of the impacts we analyse.</p>
 <p>Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable financial activities that create shared prosperity for current and future generations.</p>	<p>We have launched a suite of products and initiatives that will make it easier and more affordable for our customers to make green choices. We have sustainability on the agenda in the dialogue with customers for the purpose of personal banking, business banking and investments. We provide relevant advisers with sustainability training and include ESG risks as a natural part of the credit analysis of all business customers.</p>
 <p>Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	<p>We are in ongoing dialogue with relevant stakeholders, including business and trade organisations, NGOs, public authorities and politicians, about sustainability, including climate and the environment, diversity and inclusion, rural districts and lending to specific sections of the population. In 2023, Nykredit entered into partnerships and dialogue with a number of stakeholders to discuss how we best support our customers through the financial challenges expected as a consequence of the wars in Ukraine and the Middle East, high inflation, interest rate increases etc.</p>
 <p>Governance & Culture We will implement our commitment to these principles through effective governance and a responsible banking culture.</p>	<p>In accordance with the Group's strategic corporate responsibility objective, we are implementing corporate responsibility and the principles into our governance, organisation, policies, targets, business procedures and conduct. The Group Executive Board has overall responsibility for the implementation. Through our responsible business practices, we are dedicated to building an organisation which is in all functions prepared to act responsibly from a societal perspective and a culture where we openly air, discuss and act on any business dilemmas that may arise in financial business.</p>
 <p>Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>	<p>This year, we will report on our progress in implementing the UN's Principles for Responsible Banking for the fourth time. We will disclose the results of our impact analyses. We calculate the CO₂e footprint of our aggregate lending and investment portfolios. We are periodically reporting and publishing more and broader data in alignment with regulation, international standards, GRI and our endorsement of the UN Global Compact, PRB and PRI.</p>

Commitments and policies governing our efforts

National and international commitments



NET ZERO ASSET MANAGERS INITIATIVE

Policies

Credit Policy

Risk Policy

Corporate Responsibility Policy

Credit Policy

Valuation Policy

Nykredit Group Product Policy

Sustainable Investment Policy

Green Bond Framework 2020

Climate, Energy and Environmental Policy

Group Procurement Policy

Supplier Code of Conduct

Policy for the Prevention of Money Laundering, Terrorist Financing and Breach of Financial Sanctions

Executive Board guidelines for risk appetite and customer acceptance for the prevention of financial crime

Executive Board guidelines for the prevention of financial crime

Whistleblower Policy

Operational Risk Policy

Credit Policy

Nykredit Group Product Policy

Data Ethics Policy

Corporate Culture Policy

Fossil Fuels Policy

Diversity Policy

Remuneration Policy

Freedom of Association Policy

ESG ratings

Agency	Rating	Score	Description
MSCI	AAA	AAA to CCC	Nykredit ranks among the 5% best-rated financial institutions in MSCI's rating universe.
Sustainalytics	Low risk	Negligible to high risk	Nykredit ranks among the 9% best-rated financial institutions in Sustainalytics' rating universe.
CDP	A-	A to D-	On average, financial institutions achieve an overall score of B-.

Nykredit has received ratings from MSCI, Sustainalytics and CDP. Their ratings are based on publicly available information and are made unsolicited.

EU Taxonomy disclosures

Disclosures
according to Annex
VI – Templates for
the KPIs of credit
institutions

Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Total environmentally sustainable assets DKK millions		KPI turnover (%)	KPI CAPEX (%)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)	
Main KPI	Green asset ratio (GAR) stock	87,139	5.74	5.64	55.75	32.72	9.87
Total environmentally sustainable activities DKK millions		KPI turnover (%)	KPI CAPEX (%)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)	
<i>Additional KPIs</i>	<i>GAR (flow)</i>	8,506	7.52	6.83	71.86	N/A	N/A
	<i>Trading book</i>						
	<i>Financial guarantees</i>	-	-	-			
	<i>Assets under management</i>	2,883	0.66	0.66			
	<i>Fees and commissions income</i>						

Assets for the calculation of GAR based on turnover

	a	b c d			e f			g h i			j k l			m n		o p		q r	
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)					
Total [gross] carrying amount	Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling			
GAR - Covered assets in both numerator and denominator																			
1 Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	966,227	938,118	87,134	-	30	67	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Financial undertakings	5,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Credit institutions	1,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Loans and advances	1,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Other financial corporations of which investment firms	3,884	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 of which insurance undertakings	3,884	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Loans and advances	3,884	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Non-financial undertakings	17,340	8,086	104	-	30	67	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Loans and advances	17,340	8,086	104	-	30	67	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Households	943,712	930,082	87,030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 of which loans collateralised by residential immovable property	852,555	852,555	85,313	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 of which building renovation loans	55,071	55,071	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 of which motor vehicle loans	2,412	2,412	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	551,608	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Financial and Non-financial undertakings	551,199	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 SIFs and NFRs (other than SIFs) not subject to NFRD disclosure obligations	523,411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Loans and advances	519,304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36 of which building renovation loans	410,459	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Equity instruments	4,107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 of which equity instruments not subject to the NFRD disclosure	7,787	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 Loans and advances	7,787	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41 Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 Derivatives	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44 On demand interbank loans	3,524	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 Cash and cash-related assets	1,070	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46 Other categories of assets (e.g. Goodwill, commodities etc.)	15,807	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47 Total GAR assets	1,617,836	938,118	87,134	-	30	67	-	-	-	-	-	-	-	-	-	-	-	-	-
48 Assets not covered for GAR calculation	166,248	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49 Central government and supranational issuers	6,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50 Central bank exposure	69,986	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51 Trading book	99,929	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52 Total assets	1,684,083	938,118	87,134	-	30	67	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-																			
54 Financial guarantees	4,432	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55 Assets under management	444,590	3,154	2,883	-	93	2,626	49	49	-	44	-	-	-	-	-	-	-	-	-
56 Of which debt securities	238,082	324	160	-	1	66	2	2	-	2	-	-	-	-	-	-	-	-	-
57 Of which equity instruments	202,230	2,830	2,722	-	92	2,560	46	46	-	42	-	-	-	-	-	-	-	-	-

Assets for the calculation of GAR based on turnover

	s		t		u		v		w		x		z		aa		ab		ac		ad		ae		af	
	Pollution (PPC)										Biodiversity and Ecosystems (BIO)										TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)										Of which towards taxonomy relevant sectors (Taxonomy-eligible)										Of which environmentally sustainable (Taxonomy-aligned)					
	Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which Use of Proceeds			Of which enabling			Of which Use of Proceeds			Of which transitional			Of which enabling			
GAR - Covered assets in both numerator and denominator																										
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation																									
2	Financial undertakings																									
3	Credit institutions																									
4	Loans and advances																									
5	Debt securities, including UoP																									
6	Equity instruments																									
7	Other financial corporations																									
8	of which investment firms																									
9	Loans and advances																									
10	Debt securities, including UoP																									
11	Equity instruments																									
12	of which management companies																									
13	Loans and advances																									
14	Debt securities, including UoP																									
15	Equity instruments																									
16	of which insurance undertakings																									
17	Loans and advances																									
18	Debt securities, including UoP																									
19	Equity instruments																									
20	Non-financial undertakings																									
21	Loans and advances																									
22	Debt securities, including UoP																									
23	Equity instruments																									
24	Households																									
25	of which loans collateralised by residential immovable property																									
26	of which building renovation loans																									
27	of which motor vehicle loans																									
28	Local governments financing																									
29	Housing financing																									
30	Other local government financing																									
31	Collateral obtained by taking possession: residential and commercial immovable properties																									
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)																									
33	Financial and Non-financial undertakings																									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																									
35	Loans and advances																									
36	of which loans collateralised by commercial immovable property																									
37	of which building renovation loans																									
38	Debt securities																									
39	Equity instruments																									
40	Non-Financial Undertaking entities not subject to NFRD disclosure obligations																									
41	Loans and advances																									
42	Debt securities																									
43	Equity instruments																									
44	Derivatives																									
45	On demand interbank loans																									
46	Cash and cash-related assets																									
47	Other categories of assets (e.g. Goodwill, commodities etc.)																									
48	Total GAR assets																									
49	Assets not covered for GAR calculation																									
50	Central governments and Supranational issuers																									
51	Central banks exposure																									
52	Trading book																									
53	Total assets																									
54	Financial guarantees																									
55	Assets under management																									
56	Of which debt securities																									
57	Of which equity instruments																									

Assets for the calculation of GAR based on CAPEX

	s		t		u		v		w		x		z		aa		ab		ac		ad		ae		af			
	Pollution (PPC)										Biodiversity and Ecosystems (BIO)										TOTAL (CGM + CCA + WTR + CE + PPC + BIO)							
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)										Of which towards taxonomy relevant sectors (Taxonomy-eligible)										Of which environmentally sustainable (Taxonomy-aligned)							
	Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)													
										Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which transitional		Of which enabling						
GAR - Covered assets in both numerator and denominator																												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation																											
2	Financial undertakings																											
3	Credit institutions																											
4	Loans and advances																											
5	Debt securities, including UoP																											
6	Equity instruments																											
7	Other financial corporations																											
8	of which investment firms																											
9	Loans and advances																											
10	Debt securities, including UoP																											
11	Equity instruments																											
12	of which management companies																											
13	Loans and advances																											
14	Debt securities, including UoP																											
15	Equity instruments																											
16	of which insurance undertakings																											
17	Loans and advances																											
18	Debt securities, including UoP																											
19	Equity instruments																											
20	Non-financial undertakings																											
21	Loans and advances																											
22	Debt securities, including UoP																											
23	Equity instruments																											
24	Households																											
25	of which loans collateralised by residential immovable property																											
26	of which building renovation loans																											
27	of which motor vehicle loans																											
28	Local governments financing																											
29	Housing financing																											
30	Other local government financing																											
31	Collateral obtained by taking possession: residential and commercial immovable properties																											
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)																											
33	Financial and Non-financial undertakings																											
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																											
35	Loans and advances																											
36	of which loans collateralised by commercial immovable property																											
37	of which building renovation loans																											
38	Debt securities																											
39	Equity instruments																											
40	of which loans collateralised by commercial immovable property not subject to NFRD disclosure obligations																											
41	Loans and advances																											
42	Debt securities																											
43	Equity instruments																											
44	Derivatives																											
45	On demand interbank loans																											
46	Cash and cash-related assets																											
47	Other categories of assets (e.g. Goodwill, commodities etc.)																											
48	Total GAR assets																											
49	Assets not covered for GAR calculation																											
50	Central governments and Supranational issuers																											
51	Central banks exposure																											
52	Trading book																											
53	Total assets																											
Off-																												
54	Financial guarantees																											
55	Assets under management																											
56	Of which debt securities																											
57	Of which equity instruments																											

GAR sector information based on turnover

Breakdown by sector - NACE 4 digits level (code and label)	a		b		c		d		e		f		g		h		i		j		k		l		m		n		o		p	
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)																			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCA)	Mn DKK	Of which environmentally sustainable (CCA)	Mn DKK	Of which environmentally sustainable (WTR)	Mn DKK	Of which environmentally sustainable (WTR)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	
1	27.32 - Manufacture of other electronic and electric wires and cables	90	67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	50.10 - Sea and coastal passenger water transport	550	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	52.23 - Service activities incidental to air transportation	611	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	58.11 - Book publishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	68.20 - Renting and operating of own or leased real estate	6,775	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	70.22 - Business and other management consultancy activities	51	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	93.21 - Activities of amusement parks and theme parks	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

GAR sector information based on turnover

Breakdown by sector - NACE 4 digits level (code and label)	q		r		s		t		u		v		w		x		y		z		aa		ab	
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)								TOTAL (CCM + CCA + WTR + CE + PPC + BIO)											
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD									
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount									
Mn DKK	Of which environmentally sustainable (PPC)	Mn DKK	Of which environmentally sustainable (PPC)	Mn DKK	Of which environmentally sustainable (BIO)	Mn DKK	Of which environmentally sustainable (BIO)	Mn DKK	Of which environmentally sustainable (BIO)	Mn DKK	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn DKK	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)											
1	27.32 - Manufacture of other electronic and electric wires and cables	-	-	-	-	-	-	-	-	-	90	67	-											
2	50.10 - Sea and coastal passenger water transport	-	-	-	-	-	-	-	-	-	550	7	-											
3	52.23 - Service activities incidental to air transportation	-	-	-	-	-	-	-	-	-	611	-	-											
4	58.11 - Book publishing	-	-	-	-	-	-	-	-	-	2	-	-											
5	68.20 - Renting and operating of own or leased real estate	-	-	-	-	-	-	-	-	-	6,775	-	-											
6	70.22 - Business and other management consultancy activities	-	-	-	-	-	-	-	-	-	51	30	-											
7	93.21 - Activities of amusement parks and theme parks	-	-	-	-	-	-	-	-	-	9	-	-											

GAR sector information based on CAPEX

Breakdown by sector - NACE 4 digits level (code and label)	a		b		c		d		e		f		g		h		i		j		k		l		m		n		o		p	
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)																			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCA)	Mn DKK	Of which environmentally sustainable (CCA)	Mn DKK	Of which environmentally sustainable (CCA)	Mn DKK	Of which environmentally sustainable (WTR)	Mn DKK	Of which environmentally sustainable (WTR)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	Mn DKK	Of which environmentally sustainable (CE)	
1 11.05 - Manufacture of beer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2 12.00 - Manufacture of tobacco products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3 17.29 - Manufacture of other articles of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4 20.14 - Manufacture of other organic basic chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5 21.10 - Manufacture of basic pharmaceutical products	31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6 26.60 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7 27.32 - Manufacture of other electronic and electric wires and cables	171	-	128	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8 46.74 - Wholesale of hardware, plumbing and heating equipment and supplies	-	-	-	-	86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9 47.75 - Retail sale of cosmetic and toilet articles in specialised stores	258	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10 50.10 - Sea and coastal passenger water transport	653	-	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11 52.23 - Service activities incidental to air transportation	859	-	33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12 58.11 - Book publishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 58.29 - Other software publishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14 68.20 - Renting and operating of own or leased real estate	6,775	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15 70.10 - Activities of head offices	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16 70.22 - Business and other management consultancy activities	128	-	41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17 93.12 - Activities of sport clubs	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18 93.21 - Activities of amusement parks and theme parks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

GAR sector information based on CAPEX

Breakdown by sector - NACE 4 digits level (code and label)	q		r		s		t		u		v		w		x		y		z		aa		ab	
	Pollution (PPC)												Biodiversity and Ecosystems (BIO)						TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD				Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD				Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD									
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount									
Mn DKK	Of which environmentally sustainable (PPC)	Mn DKK	Of which environmentally sustainable (PPC)	Mn DKK	Of which environmentally sustainable (BIO)	Mn DKK	Of which environmentally sustainable (BIO)	Mn DKK	Of which environmentally sustainable (BIO)	Mn DKK	Of which environmentally sustainable (BIO)	Mn DKK	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn DKK	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)									
1 11.05 - Manufacture of beer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
2 12.00 - Manufacture of tobacco products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
3 17.29 - Manufacture of other articles of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
4 20.14 - Manufacture of other organic basic chemicals	-	-	-	-	-	-	-	-	-	-	-	97	-	-	-									
5 21.10 - Manufacture of basic pharmaceutical products	-	-	-	-	-	-	-	-	-	-	-	31	-	-	-									
6 26.60 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
7 27.32 - Manufacture of other electronic and electric wires and cables	-	-	-	-	-	-	-	-	-	-	-	171	128	-	-									
8 46.74 - Wholesale of hardware, plumbing and heating equipment and supplies	-	-	-	-	-	-	-	-	-	-	-	86	-	-	-									
9 47.75 - Retail sale of cosmetic and toilet articles in specialised stores	-	-	-	-	-	-	-	-	-	-	-	258	-	-	-									
10 50.10 - Sea and coastal passenger water transport	-	-	-	-	-	-	-	-	-	-	-	653	28	-	-									
11 52.23 - Service activities incidental to air transportation	-	-	-	-	-	-	-	-	-	-	-	859	33	-	-									
12 58.11 - Book publishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
13 58.29 - Other software publishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
14 68.20 - Renting and operating of own or leased real estate	-	-	-	-	-	-	-	-	-	-	-	6,775	-	-	-									
15 70.10 - Activities of head offices	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
16 70.22 - Business and other management consultancy activities	-	-	-	-	-	-	-	-	-	-	-	128	41	-	-									
17 93.12 - Activities of sport clubs	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-									
18 93.21 - Activities of amusement parks and theme parks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									

GAR KPI stock based on turnover

	a	b			c	d	e			f	g			h	i	j			k	l			m	n	o			p	q						
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)								Water and marine resources (WTR)						Circular economy (CE)													
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)													
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)								Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)													
Of which Use of Proceeds		Of which transitional		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling											
GAR - Covered assets in both numerator and denominator																																			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	61.81	5.74	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
2	Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
20	Non-financial undertakings	0.53	0.01	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
21	Loans and advances	0.53	0.01	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
24	Households	61.27	5.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
25	of which loans collateralised by residential immovable property	56.17	5.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
26	of which building renovation loans	3.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
27	of which motor vehicle loans	0.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
32	Total GAR assets	61.81	5.74	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							

GAR KPI stock based on turnover

	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which transitional		Of which enabling	
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	-	-	-	-	-	-	-	61.82	5.74	-	0.00	0.00	55.72
2	Financial undertakings	-	-	-	-	-	-	-	0.01	-	-	-	-	0.01
3	Credit institutions	-	-	-	-	-	-	-	0.01	-	-	-	-	0.01
4	Loans and advances	-	-	-	-	-	-	-	0.01	-	-	-	-	0.01
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	0.53	0.01	-	0.00	0.00	0.48
21	Loans and advances	-	-	-	-	-	-	-	0.53	0.01	-	0.00	0.00	0.48
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	-	-	-	-	-	-	-	61.27	5.73	-	-	-	55.22
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	56.17	5.62	-	-	-	50.62
26	of which building renovation loans	-	-	-	-	-	-	-	3.63	-	-	-	-	3.27
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-	-	61.82	5.74	-	0.00	0.00	55.72

GAR KPI stock based on CAPEX

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WTR)				Circular economy (CE)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling	
GAR - Covered assets in both numerator and denominator																	
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	60.55	5.64	-	0.00	0.01	0.01	0.00	-	-	-	-	-	-	-	-	-	-
2 Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Non-financial undertakings	0.59	0.02	-	0.00	0.01	0.01	0.00	-	-	-	-	-	-	-	-	-	-
21 Loans and advances	0.59	0.02	-	0.00	0.01	0.01	0.00	-	-	-	-	-	-	-	-	-	-
22 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Households	59.96	5.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 of which loans collateralised by residential immovable property	56.17	5.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 of which building renovation loans	3.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Total GAR assets	60.55	5.64	-	0.00	0.01	0.01	0.00	-	-	-	-	-	-	-	-	-	-

GAR KPI stock based on CAPEX

	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af	
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
	Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which transitional		Of which enabling		
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	-	-	-	-	-	-	-	60.55	5.64	-	0.00	0.01	55.72	
2	Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	0.01	
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	0.01	
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	0.01	
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Non-financial undertakings	-	-	-	-	-	-	-	0.60	0.02	-	0.00	0.01	0.48	
21	Loans and advances	-	-	-	-	-	-	-	0.60	0.02	-	0.00	0.01	0.48	
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Households								59.96	5.62	-	-	-	55.22	
25	of which loans collateralised by residential immovable property								56.17	5.62	-	-	-	50.62	
26	of which building renovation loans								3.63	-	-	-	-	3.27	
27	of which motor vehicle loans														
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	Total GAR assets	-	-	-	-	-	-	-	60.55	5.64	-	0.00	0.01	55.72	

GAR KPI flow based on turnover

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling	
GAR - Covered assets in both numerator and denominator																	
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	100.00	7.53	-	-	0.00	0.27	-	-	-	-	-	-	-	-	-	-	-
2 Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Non-financial undertakings	0.79	0.01	-	-	0.00	0.27	-	-	-	-	-	-	-	-	-	-	-
21 Loans and advances	0.79	0.01	-	-	0.00	0.27	-	-	-	-	-	-	-	-	-	-	-
22 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Households	99.21	7.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 of which loans collateralised by residential immovable property	89.95	7.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 of which building renovation loans	8.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 of which motor vehicle loans	0.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Total GAR assets	100.00	7.53	-	-	0.00	0.27	-	-	-	-	-	-	-	-	-	-	-

GAR KPI flow based on turnover

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Pollution (PPC)			Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
		Of which Proceeds	Use of	Of which enabling	Of which Proceeds	Use of	Of which enabling	Of which Proceeds	Use of	Of which transitional	Of which enabling				
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	-	-	-	-	-	-	-	-	100.27	7.53	-	-	0.00	71.85
2	Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	1.06	0.01	-	-	0.00	0.76
21	Loans and advances	-	-	-	-	-	-	-	-	1.06	0.01	-	-	0.00	0.76
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	-	-	-	-	-	-	-	-	99.21	7.52	-	-	-	71.09
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	89.95	7.52	-	-	-	64.45
26	of which building renovation loans	-	-	-	-	-	-	-	-	8.28	-	-	-	-	5.93
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	0.98	-	-	-	-	0.70
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total GAR assets	-	-	-	-	-	-	-	-	100.27	7.53	-	-	0.00	71.85

GAR KPI flow based on CAPEX

	a			b			c			d			e			f			g			h			i			j			k			l			m			n			o			p			q		
	Climate Change Mitigation (CCM)									Climate Change Adaptation (CCA)									Water and marine resources (WTR)									Circular economy (CE)																							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)									Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)									Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)									Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)																							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)																							
	Of which Use of Proceeds			Of which transitional			Of which enabling			Of which Use of Proceeds			Of which transitional			Of which enabling			Of which Use of Proceeds			Of which transitional			Of which enabling			Of which Use of Proceeds			Of which transitional			Of which enabling			Of which Use of Proceeds			Of which transitional			Of which enabling								
GAR - Covered assets in both numerator and denominator																																																			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation																																																		
2	Financial undertakings																																																		
3	Credit institutions																																																		
4	Loans and advances																																																		
5	Debt securities, including UoP																																																		
6	Equity instruments																																																		
7	Other financial corporations																																																		
8	of which investment firms																																																		
9	Loans and advances																																																		
10	Debt securities, including UoP																																																		
11	Equity instruments																																																		
12	of which management companies																																																		
13	Loans and advances																																																		
14	Debt securities, including UoP																																																		
15	Equity instruments																																																		
16	of which insurance undertakings																																																		
17	Loans and advances																																																		
18	Debt securities, including UoP																																																		
19	Equity instruments																																																		
20	Non-financial undertakings																																																		
21	Loans and advances																																																		
22	Debt securities, including UoP																																																		
23	Equity instruments																																																		
24	Households																																																		
25	of which loans collateralised by residential immovable property																																																		
26	of which building renovation loans																																																		
27	of which motor vehicle loans																																																		
28	Local governments financing																																																		
29	Housing financing																																																		
30	Other local government financing																																																		
31	Collateral obtained by taking possession: residential and commercial immovable properties																																																		
32	Total GAR assets																																																		

GAR KPI flow based on CAPEX

	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af	
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total new assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
	Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which transitional		Of which enabling		
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	-	-	-	-	-	-	-	100.03	6.83	-	-	0.00	80.01	
2	Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Non-financial undertakings	-	-	-	-	-	-	-	1.22	0.04	-	-	0.00	0.98	
21	Loans and advances	-	-	-	-	-	-	-	1.22	0.04	-	-	0.00	0.98	
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Households	-	-	-	-	-	-	-	98.78	6.79	-	-	-	79.02	
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	89.01	6.75	-	-	-	71.20	
26	of which building renovation loans	-	-	-	-	-	-	-	8.67	-	-	-	-	6.94	
27	of which motor vehicle loans	-	-	-	-	-	-	-	0.89	-	-	-	-	0.71	
28	Local governments financing	-	-	-	-	-	-	-	0.02	-	-	-	-	0.02	
29	Housing financing	-	-	-	-	-	-	-	0.02	-	-	-	-	0.02	
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	Total GAR assets	-	-	-	-	-	-	-	100.03	6.83	-	-	0.00	80.01	

KPI off-balance sheet exposures based on turnover

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	0.71	0.65	-	0.02	0.59	0.01	0.01	-	0.01	-	-	-	-	-	-	-	-

KPI off-balance sheet exposures based on turnover

	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	Pollution (PPC)			Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling			Of which Use of Proceeds		Of which transitional	Of which enabling	
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	0.72	0.66	-	0.02	0.60

KPI off-balance sheet exposures based on CAPEX

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Assets under management (AuM KPI)	0.71	0.65	-	0.02	0.59	0.01	0.01	-	0.01	-	-	-	-	-	-	-	-

KPI off-balance sheet exposures based on CAPEX

		r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which transitional	Of which enabling			
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	0.72	0.66	-	0.02	0.60

Template 1 Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Disclosures according to Annex XII – Templates for Nuclear energy and fossil gas related activities

Taxonomy-aligned economic activities (denominator)

Economic activities based on KPI turnover, Mn DKK		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	938,118	61.8	938,118	61.8	-	-
8	Total applicable KPI	938,118	61.8	938,118	61.8	-	-

Economic activities based on KPI CAPEX, Mn DKK		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	919,096	60.6	919,010	60.5	86	0.0
8	Total applicable KPI	919,096	60.6	919,010	60.5	86	0.0

Taxonomy-aligned economic activities (numerator)

Economic activities based on KPI turnover, Mn DKK		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	87,134	5.7	87,134	5.7	-	-
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	87,134	5.7	87,134	5.7	-	-

Economic activities based on KPI CAPEX, Mn DKK		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	85,543	5.6	85,543	5.6	-	0.0
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	85,543	5.6	85,543	5.6	-	0.0

Taxonomy-eligible but not taxonomy-aligned economic activities

Economic activities based on KPI turnover, Mn DKK		Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	850,984	56.1	850,984	56.1	-	0.0
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	850,984	56.1	850,984	56.1	-	0.0

Economic activities based on KPI CAPEX, Mn DKK		Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.0	-	0.0	-	0.0
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	833,553	54.9	833,468	54.9	86	0.0
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	833,553	54.9	833,468	54.9	86	0.0

Taxonomy non-eligible economic activities

Economic activities based on KPI turnover, Mn DKK		Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	579,526	38.2
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	579,526	38.2

Economic activities based on KPI CAPEX, Mn DKK		Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	598,719	39.4
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	598,719	39.4

Nykredit

This document is an English translation of the original Danish text. In the event of discrepancies between the original Danish text and the English translation, the Danish text shall prevail.

