


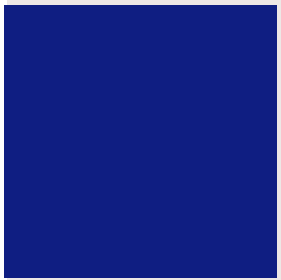
An aerial photograph of a rural landscape. A paved road runs vertically through the center, flanked by green fields and clusters of houses. In the distance, rolling hills and a wind turbine are visible under a clear sky.

Nykredit

**Together we
are more**

**Corporate Responsibility
Report 2021**

**Nykredit
Group**



COMMUNICATION
ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



PRINCIPLES FOR
RESPONSIBLE
BANKING

This report forms the Nykredit Group's:

1. Communication on Progress to the UN Global Compact, which we signed in 2008.
2. Reporting on the UN Principles for Responsible Banking signed by us when introduced in 2019.
3. Report on corporate responsibility, see section 135b of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.
4. Report on the gender composition of management, see section 135a of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.
5. Report on the Company'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.

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Foreword

Dear reader

It is part of Nykredit's DNA as a financial mutual to promote the interests of our customers and of society. Nykredit's pledge to society is very clear:

“We will be active in all of Denmark and support growth – in urban and rural districts alike. At all times. We will also do our best to create a greener Denmark for our children and for future generations.”

This pledge, which we seek to fulfil every single day, forms an important part of our core values, and it has been embedded in Nykredit's strategy, Winning the Double 2.0, to ensure that Nykredit operates its business in alignment with society's goals – as defined by political ambitions in Denmark, which cover the majority of our activities, and by international goals and principles, including the UN Sustainable Development Goals, the UN Principles for Responsible Banking and the 10 Principles of the UN Global Compact.

That is the backbone of Nykredit's corporate responsibility commitment, and in this report you can read how, in 2021, we translated our pledges and strategy into specific initiatives and actions within the three main themes shown in the strategy illustration on the next page.

We are aware of our responsibility

Climate change is among the greatest challenges of our time. 2021 saw alarming reports from the UN's Intergovernmental Panel on Climate Change (IPCC) but also broad political agreement in Denmark to boost the green transition. But despite progress in the transition towards a low-emission economy, action is still needed if the goals of the Paris Climate Agreement of keeping warming below 1.5°C are to remain within reach.

As the largest lender in Denmark and one of the largest wealth managers to institutional and personal clients, Nykredit plays a key role in contributing to a sustainable economy that channels funds to green solutions and initiatives. We are aware that our customers' activities and decisions may have an impact on society. We also

know that the transition to a low-emission economy will lead to structural changes across economies, industries and customer behaviour. For that reason, we are actively integrating new risks and opportunities into our products, services and risk management, with special focus on developing opportunities for our customers.

We facilitate green choices

First and foremost, we can make a difference together with our customers. Therefore, we have launched a suite of products that will make it easier and more affordable for our customers to make green choices. In 2021 customers truly embraced the first of these products.

Nykredit Bank offers green home loans for energy improvements at 0% interest and no up-front fee. And green car loans at 1% interest and no up-front fee to finance electric cars. We offer our agricultural customers green machinery leasing and have removed the fee charged in cases concerning withdrawal of land from agricultural use. Personal customers investing in Nykredit funds carrying the Nordic Swan Ecolabel are not charged trading commission.



Public housing associations are offered a discount on green construction loans for new building and energy renovation. Totalkredit offers a discount on home energy check-ups and a cash contribution of DKK 10,000 to customers who replace their oil-fired boilers with heat pumps.

These are examples of the products and benefits we are able to offer our customers thanks to the green contribution we have received from our majority shareholder, Forenet Kredit. And they are good examples of how well mutual ownership and corporate responsibility go hand in hand.

Data quality is one of the challenges of working with the green transition, and one we are trying to solve. Here, let me draw attention to the new climate tool to be launched by SEGES, Forenet Kredit and Nykredit in 2022. The tool is described in more detail in this report. This tool will allow individual farmers to calculate greenhouse gas emissions from their farms and Nykredit to better integrate sustainability in our own credit and risk management procedures and in our dialogue with customers.

Totalkredit alliance ensures access to loans in all regions

Danish mortgage loans constitute one of the most inexpensive home financing regimes in the world. Also, the mortgage system is based on a solidarity principle; all homeowners, regardless of their income, accounts volume or geographic location, pay the same loan rates and margins.

I am proud of our genuine nationwide presence and the fact that we have increased mortgage lending volumes in 97 of the 98 Danish municipalities – thanks to our unique alliance with Totalkredit's 45 Danish partner banks. The Totalkredit alliance enables small and medium-sized banks to offer attractive and secure loans that fully or

more than fully match the propositions of large banks. And this way the alliance promotes competition and diversity in the Danish banking sector and helps banks all over Denmark translate their strong local presence into a drive for positive development in local communities.

In other words, the success of the Totalkredit alliance lies at the core of the Nykredit Group's corporate responsibility, and in this report you can read how we consistently work to strengthen just that.



Together we are more.

A handwritten signature in blue ink, which appears to read 'Michael Rasmussen'.

Michael Rasmussen
Group Chief Executive

Main themes and prioritised initiatives

DEVELOPMENT AND GROWTH THROUGHOUT DENMARK – AT ALL TIMES



Development throughout Denmark

Through our lending practices and new initiatives, we will fulfil our pledge to society of being active and supporting development and growth in all of Denmark at all times.

A GREENER DENMARK



Sustainable housing

We will contribute to reducing energy consumption and greenhouse gas emissions from private homes by developing advisory services and products that incentivise more homeowners to invest in healthy and energy-efficient homes.



Sustainable businesses and buildings

We will contribute to the sustainable development of businesses, housing associations and property investors through our advisory services and financing of climate-friendly buildings and by developing green solutions and initiatives aimed at reducing energy consumption and greenhouse gas emissions.



Sustainable agriculture

We will contribute to the sustainable development of individual farms and develop our advisory services and products to promote sustainable and climate-friendly choices in the agricultural sector.



Sustainable investing

We will develop solutions that can help more customers invest responsibly.

RESPONSIBLE BUSINESS PRACTICES



Responsible business conduct

- Healthy and open corporate culture (conduct management)
- Responsible customer advisory services
- Responsible products and services
- Anti-corruption



Initiatives to combat financial crime

- Contribute 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 carbon emissions
- Recycling and reduction of waste



Responsible procurement

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



People

- Staff satisfaction
- Upskilling
- Working environment



Diversity and inclusion

- Female management and board representation
- Equal pay

Nykredit – a lender to people and businesses all over Denmark

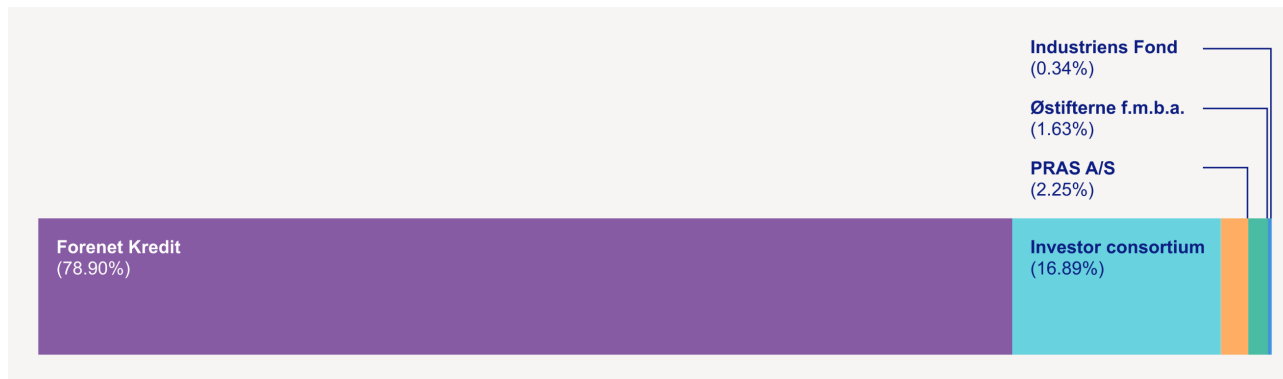
Nykredit is the largest lender in Denmark, the largest lender to homeowners and one of the largest lenders to small and medium-sized businesses, the agricultural sector and the housing sector. We serve people and businesses all over Denmark.

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

As such, we have a special responsibility for creating value to our customers and to society.

In 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.

Who are Nykredit's owners?



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 stable home loans for homeowners all over Denmark – now and in the future.

Forenet Kredit holds 78.9% of the Nykredit Group, and its members are either customers of 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. At all times. 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. Nykredit kept its loan books open during the crisis that began in 2008. And when the corona crisis hit in 2020, we launched special initiatives aimed at businesses and families facing financial challenges, just as we maintained active lending all over Denmark.

In 2021 Totalkredit, which is a part of the Nykredit Group, provided 65% of all new home loans in areas outside the large cities together with our 45 Totalkredit partners, and

we recorded lending growth in 97 of the 98 municipalities in Denmark.

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 pass on to their customers.

As a result, all customers with a Totalkredit mortgage loan are awarded a unique discount (KundeKroner). Thanks to these discounts, at the end of 2021, 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 receive a similar discount (ErhvervsKroner).

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

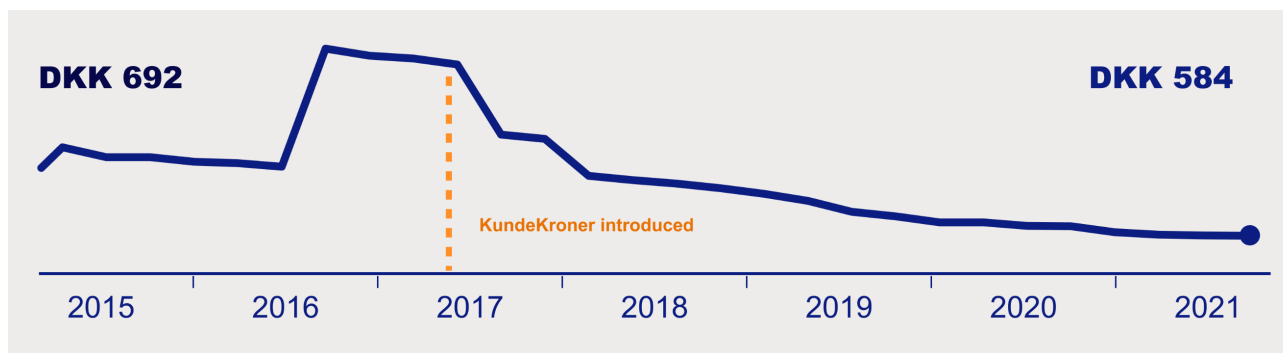
We contribute to a greener Denmark

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.

Thanks to a green contribution from Forenet Kredit, we are uniquely positioned to make it easier and more affordable for our customers to make green choices.

In 2021 our customers truly embraced the first of these products, and they now finance their green choices through the Nykredit Group. At the same time, we launched a series of initiatives and strengthened our advisory services to help our customers live, drive, renovate, invest and operate their businesses sustainably.

Our customers' administration margin payments are going down



Totalkredit customers receive discounts under the KundeKroner benefits programme. This reduces their administration margin payments, which today average DKK 584 per month for each DKK 1 million borrowed. This is the lowest level in more than seven years.



How we shared our progress in 2021

**KundeKroner*
(Totalkredit)
DKK 1,259
million**

* KundeKroner discounts awarded in Totalkredit in 2021. All our personal customers with a Totalkredit mortgage loan receive a KundeKroner discount equal to DKK 1,500 a year for every million Danish kroner borrowed. KundeKroner discounts are guaranteed up to and including 2022.

**ErhvervsKroner*
(Nykredit)
DKK 280
million**

* ErhvervsKroner discounts awarded in Nykredit in 2021. All our business customers with a Nykredit 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 discounts are guaranteed up to and including 2022.

**Green contribution*
(Nykredit and Totalkredit)
DKK 39
million**

* Green contribution utilised in Nykredit and Totalkredit in 2021. 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 152
million**

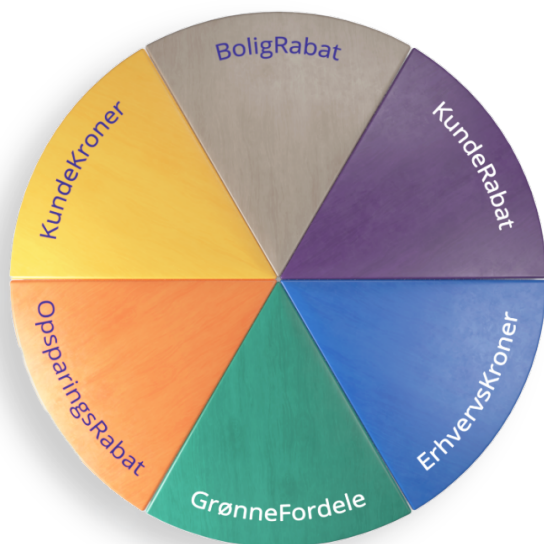
* Other customer benefits, Nykredit Bank in 2021. Home loan discounts (BoligRabat), customer discounts (KundeRabat) and savings discounts (OpsparingsRabat).

Forenet Kredit contributes DKK 200 million to the green transition

It should be easier and more affordable for customers of Nykredit and Totalkredit to make green choices. For that purpose, Forenet Kredit has earmarked DKK 200 million for our customers' green transition in 2020-2022. Thanks to the contribution from Forenet Kredit, the Nykredit Group can offer a range of particularly attractive green products to homeowners, public housing associations, businesses, agricultural customers, private investors etc.

"Forenet Kredit is committed to contributing to the green transition where its impact will be greatest. A contribution from us of DKK 200 million should make a difference both to our customers and to the climate. Luckily, our contribution made a great difference in 2021. The green products, including green home loans (Grønt BoligLån), green car loans (Grønt Billån) and the replacement of oil-fired boilers (Farvel til oliefyret), were well received by the customers of Nykredit and Totalkredit. At Forenet Kredit we are thrilled to make a difference – to the climate and to our customers," says Nina Smith, Chair of Forenet Kredit.

Read more about the specific initiatives in "A greener Denmark" on page 22.



Mutual benefits

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

Nykredit business model

In concert with our Totalkredit partners we finance properties for homeowners and businesses. Our 45 local and regional Totalkredit partner banks form the foundation of our joint effort of providing mortgage loans throughout Denmark.

- **About 700 branches throughout Denmark**
- **Private residential mortgage lending of DKK 898 billion, equal to a market share of nearly 50%**
- **Commercial mortgage lending of DKK 10 billion**

We provide home financing and other personal banking services.

- **Bank lending: DKK 10 billion**

We provide wealth management services to personal and business customers.

- **Assets under management: DKK 438 billion**

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

- **Assets under administration: DKK 1,140 billion**

We finance properties, operations and growth in small and large businesses.

- **Mortgage lending: DKK 283 billion**
- **Bank lending: DKK 62 billion**

We finance properties, operations and growth in the agricultural sector.

- **Mortgage lending: DKK 87 billion, equal to a market share of 33%**
- **Bank lending: DKK 3 billion**

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

We finance public and cooperative housing.

- **Mortgage lending to public housing: DKK 78 billion**
- **Mortgage lending to housing cooperatives: DKK 36 billion**

Value creation

Development and growth throughout Denmark

We provide affordable and secure loans to homeowners and businesses all over Denmark – at all times.

A greener Denmark

We finance the green transition together with our customers.

Financial security

We help our customers stay on top of their finances and provide them with opportunities and security.

We share our success

Forenet Kredit can make contributions to the Nykredit Group, which Nykredit and Totalkredit can give back to their customers.

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. One example could be our investments in companies that fail to fully meet human rights standards. These societal risks and the way we address them are described in more detail in the individual sections of this report.

Business risks primarily include credit risks, but also market, liquidity and operational risks. Nykredit's risk management in these areas helps secure our financial stability and ability to provide lending all over Denmark and follows naturally from our status of systemically important financial institution (SIFI) and the responsibility that comes with it. Climate-related risks affect the business through our business risks and are managed in tandem with them.

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 business risks and risk management efforts are described in more detail in our [Risk and Capital Management Report](#).



Corporate responsibility is ingrained in our core values

The Nykredit Group’s corporate responsibility commitment rests on Nykredit’s core values.

Nykredit’s core values underline the overarching element of Nykredit’s self-image as the Danes’ reliable financial service provider – also in times of crisis. Having the distinctive character of a financial mutual, we are committed to being a successful 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 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 provide our customers with financial security through sound advice and products tailored to their needs, and we will share our success with our customers.



Pledge to our staff

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 business partners

In collaboration with our partners, we want to make a difference to our customers by offering them attractive products and effective solutions. We will prioritise joint solutions and actively contribute to developing and expanding our alliance so that we and our partners become more together.



Pledge to our shareholders

We will strive to be a successful and well-capitalised business that thinks and acts for the long term. We will generate market-consistent dividend to the benefit of our Danish owners.



Pledge to society

We will be active in all of Denmark and support growth – in urban and rural districts alike. At all times. We will also do our best to create a greener Denmark for our children and for future generations.



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 give corporate responsibility just as high priority as the strategy’s other objectives regarding Nykredit’s and Totalkredit’s positions in the market.

In 2021, based on our strategic objective, Nykredit:

- integrated corporate responsibility and sustainability into the business strategies set for the Group’s key business areas
- incorporated sustainability into our credit and risk management practices
- financed our customers’ green transition initiatives and launched specific initiatives and products to the benefit of society and our customers
- set carbon emission targets in the investment area in alignment with the Paris Climate Agreement.

GROUP STRATEGY

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



BUSINESS STRATEGIES

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



CORPORATE RESPONSIBILITY STRATEGY

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



We concentrate 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 are sure to concentrate 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 15 provides an overview of our approach to key societal challenges through prioritised initiatives.

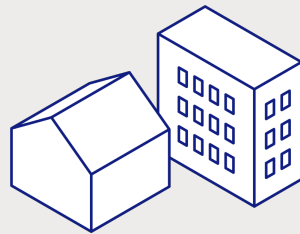
In the summary at the end of each section of this report, we list the SDGs that Nykredit’s activities particularly contribute to. A description of the way a selection of our green initiatives support political ambitions in Denmark is provided on page 22.

Impact and materiality analyses conducted by Nykredit



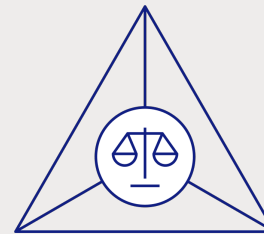
What are the challenges facing society?

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.



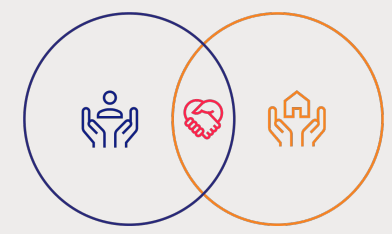
Where can we make a significant impact?

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 address the risks and opportunities presented by the different challenges to our business and strategy.



What is important to our stakeholders?

We engage with our 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, which are vested in the relevant business areas and staff functions.

Prioritised initiatives in 2021

In 2021 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. That is what drives one of our projects headed *Development and growth throughout Denmark*, which has played an important role during the corona pandemic and which is key to growth and development in rural districts.

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



Our *Responsible business practices* commitment forms the foundation of our corporate responsibility efforts and aims to ensure that staff throughout the organisation act responsibly and address the risk of our activities having a negative impact on society. An overview of these efforts is provided in the strategy illustration on page 6. 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 Sustainable Development Goals

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	 
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A greener Denmark

Buildings play a key role in achieving the climate targets. Existing homes as well as new sustainable buildings are in need of energy renovation.	Sustainable housing	      
Need for green transition financing for electricity production, industrial green transition, development of new solutions and sustainable new building.	Sustainable businesses and buildings	
Danish agriculture accounts for about 20% of total greenhouse gas emissions in Denmark.	Sustainable agriculture	
Need for massive investment in companies that contribute to sustainable global development and for investors that engage with companies to promote responsible business practices and green transition.	Sustainable investments	

Responsible business practices

All businesses impact the climate and the environment through their production.	A greener Nykredit	       
Procurement 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	
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 conduct	
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	
Qualified, dedicated and satisfied staff are 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 staff members.	Diversity and inclusion	

1

Development and growth throughout

“At Forenet Kredit, we want for Nykredit and Totalkredit to assume corporate responsibility through their core business. Fair and equal access to the mortgage system for people and businesses all over Denmark is the bedrock of our organisation.”

Nina Smith, 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. At all times. This is a pledge that places demands on the Group’s business model, profitability, capital resources and lending practices in the area of banking as well as mortgage lending.

Our business model, which builds partly on a unique partnership between Totalkredit and 45 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. In 2021 the Totalkredit partner banks combined had around 700 branches, or more than 70% of all branches in Denmark. The widespread presence all over Denmark coupled with the attractive and secure loans offered to our customers were the main catalysts of Totalkredit’s lending growth in 97 of the 98 municipalities of Denmark in 2021.

An extra mile for the rural districts

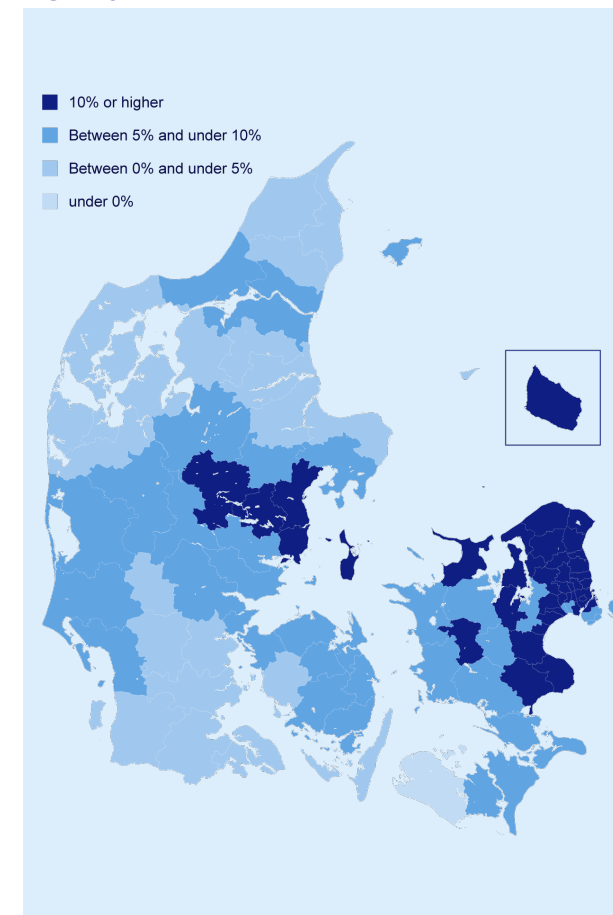
We are proud that lending is growing in 97 of the 98 Danish municipalities. While several villages and rural districts are undergoing a positive development, others are challenged. The rural population is shrinking, villages are losing some of their vital institutions, such as schools and local grocers, and people and businesses are migrating to the cities. As a result, the housing market in rural districts may be marked by uncertainty as to marketability and pricing and an oversupply of properties for sale.

We cannot stop urbanisation, but we can try to make rural living as attractive as possible by providing home financing in rural areas, thereby ensuring an efficient housing market all across Denmark. This is a task we take seriously and address every single day, and our lending growth in all regions of Denmark bears witness of just that.

Totalkredit supports the presence of local partner banks

Mortgage finance is key to attracting homeowners, but it is also a question of scale and capital. Basically, this is to the benefit of the largest banks, but the Totalkredit alliance 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 raised the challenges for small banks. This way, the Totalkredit alliance promotes competition and diversity in the Danish banking sector, and not least, it 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 communities through their lending activities and local engagement.

We are growing lending throughout Denmark



Together with our partner banks, Totalkredit increased lending to Danish homeowners and businesses in 97 out of 98 municipalities in 2021.

The Totalkredit alliance provides for economies of scale

For our mutual benefit, Nykredit is seeking to expand the joint partner activities beyond that of mortgage lending. Our mutual collaboration also provides for economies of scale in other areas, including joint procurement agreements and a shared property valuation unit via Totalkredit, which has replaced the need for our partners to source their own property valuations. Together with a large joint IT project optimising home loan processes this provides for more efficient and automated case handling.

In 2021 Nykredit established a fund to help regional and local partner banks meet the so-called MREL requirement.

The MREL fund – to our mutual benefit

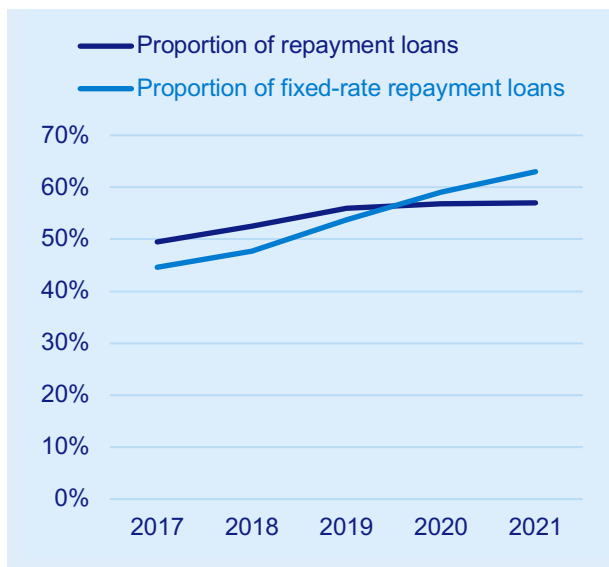
In 2021, Nykredit established a new fund to help regional and local partner banks meet the so-called MREL requirement.

The MREL requirement was introduced in the wake of the financial crisis to ensure that banks are sufficiently bolstered to steer through any future crises. The requirement poses a challenge to most institutions, but access to capital markets is generally more difficult for regional and local banks than for SIFs. There is a risk of having to use equity capital to meet the MREL requirement, which could weaken a bank's capacity for growth and new business going forward. The MREL fund provides better protection against such a scenario.

Resilient homeowners

At the end of 2021, Totalkredit's customers enjoyed the lowest administration margin payments in the market on the loan types that are the most popular among Danish homeowners. In recent years, Nykredit's customers have increasingly opted for fixed-rate mortgage loans and repayment loans, which makes them more resilient to changes in loan rates.

Growing share of fixed-rate and repayment loans



Development in Totalkredit fixed-rate and repayment loans.

Danish mortgage loans provide for low-cost home financing for all

Danish mortgage loans constitute one of the most inexpensive home financing regimes in the world. Also, the mortgage system is a system of transparency and solidarity; all borrowers, regardless of their income, personal finances, 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.

This point was confirmed in a research article ("Danskerne og deres realkreditlån") by Jesper Rangvid and Ulf Nielsson, finance researchers at Copenhagen Business School, in 2021.

According to the article, home financing using Danish mortgage loans is much cheaper than home financing in many other countries, particularly for low-income groups. In other countries, less affluent borrowers are typically charged higher interest rates than more affluent borrowers.

Rangvild and Nielsson's research article shows that if Denmark used the US home financing system, the disposable income of Danish homeowners with the lowest income would be reduced by 5%. And if we used the Swedish home financing system, the weakest borrowers would incur extra costs of around DKK 5,000 a year.

Lending at all times

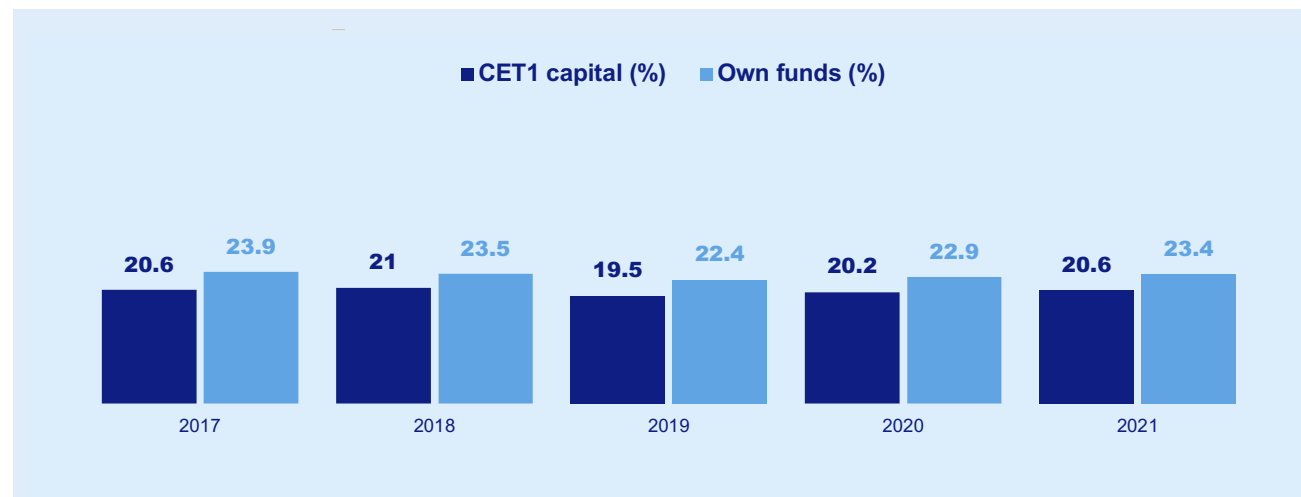
A professional credit assessment of all customers' finances is a cornerstone of our efforts to provide loans to people and businesses all over Denmark. For several reasons. We share a responsibility for ensuring that our customers do not borrow more money than their personal budgets or business budgets allow. Moreover, we are under an obligation not to assume excessive risk exposures, as any losses we incur will affect all of our customers. Also, as a systemically important financial institution (SIFI), Nykredit has a great responsibility to our customers and to Denmark for operating a stable and robust business.

Sound credit assessment practices and a solid capital position also constitute the foundation for our capacity to provide loans at all times. Nykredit has kept its loan

books open in all parts of the country, both during the crisis that began in 2008 and during the covid-19 crisis. In 2020 and in the first half of 2021, the covid-19 pandemic brought with it a number of challenges for households as well as businesses. In response, Nykredit offered customers ongoing advisory services, payment holidays, relief packages including overdraft facilities at 0% interest and no up-front fees, and holiday pay overdrafts, just as we established a complaints board and guaranteed our customers a response time of less than 24 hours.

We have the capacity necessary to support the Danish economy. And we want to continue to do so every time a new crisis hits the Danish economy. To this end, we seek to ensure a solid capital position and strong risk and credit management practices at all times.

Changes in CET 1 capital and own funds



The Group holds CET1 capital of DKK 82.7 billion, equal to a CET1 capital ratio of 20.6% of the total risk exposure amount (REA), and total own funds of DKK 93.9 billion, equal to a capital ratio of 23.4%. 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 this capital structure and access to capital among the owners, Nykredit will be able to meet new regulatory requirements and in addition be able to withstand a severe economic downturn and consequent losses.

Lending at all times

Nykredit's risk appetite

We aim to maintain active lending to the Group's full-service customers and Totalkredit customers, also in a challenging economic climate.

This is done from a platform of:

Risk and capital management

Nykredit focuses on risk management that ensures agreement between risk profile, risk appetite and a robust capital structure. The risk appetite reflects our overall tolerance for taking risk in the context of our business model and strategy.

Credit management

Nykredit's credit policy regulates the level of large exposures, the composition of the loan portfolio and lending to personal customers and specialised lending segments. Nykredit manages credit risk according to a portfolio management approach whereby significant concentrations are avoided, supplemented with reviews of single-name exposures, credit work-outs and continuous controls.

Read more in our [Risk and Capital Management Report](#).

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 of society or certain regions.



Nykredit's response

We will be active in all of Denmark and support growth – in urban and rural districts alike. At all times. Equal access to the mortgage system and pricing solidarity for personal customers with no distinction being made on the basis of income, geographic location or account volume are the guiding principles of the Danish mortgage system and of our majority shareholder, Forenet Kredit, and as such a fundamental element of our business model. We prioritise lending in all of Denmark, and together with our Totalkredit partners, we provide nearly half of all home loans. We are working with Group-wide initiatives aimed at supporting home ownership, green transition 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 always seek to ensure a solid capital position and strong risk and credit management practices. We are also ready and willing to reassess our own practices and enter into dialogue when certain customer segments have 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

- Lending growth in 97 out of 98 municipalities.
- Strengthened Nykredit's capital position.
- Totalkredit has again won the Danish Consumer Council's award for the cheapest mortgage products in the market.



Risks of negative impact on society

The loss risk on the loans we provide to personal and business customers, for example, is also one of the main societal risks that Nykredit incurs. 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.

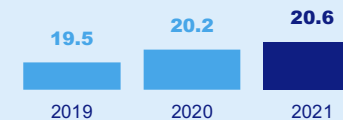


Ambitions for 2022

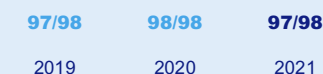
- Continue to ensure sound business operations with the capacity to offer loans to people and businesses and to support development and growth throughout Denmark.
- Continue to ensure mortgage lending at standard prices for personal customers, with no distinction being made on the basis of income, geographic location or account volume.

Key figures and targets

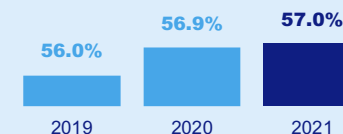
CET1 capital (%)



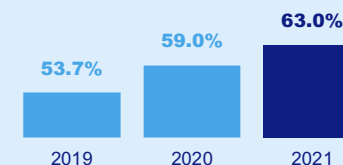
Lending growth in municipalities, Totalkredit



Portfolio proportion of repayment loans, Totalkredit



Portfolio proportion of fixed-rate loans, Totalkredit



2

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, invest and operate their businesses sustainably.”

Michael Rasmussen, Group Chief Executive

A greener Denmark

The climate crisis is one of the greatest challenges of our time. Action is needed now if the goals of the Paris Climate Agreement of keeping warming below 1.5°C are to remain within reach. The financial sector plays a pivotal role by channelling funds to green solutions and initiatives.







Nykredit is committed to contributing to the green transition. Being a financial mutual and Denmark’s largest lender with extensive investment business, we can and must contribute to achieving society’s ambitious climate objectives. We are striving to reduce emissions from our own operations and from our lending and investments, thereby contributing to the goals of the Paris Climate Agreement and the targets set for 2030 in the Danish Climate Act. The other half of Nykredit’s pledge to society reads:

“We will do our best to create a greener Denmark for our children and for future generations.”

The specific initiatives we launch should also support political ambitions by making green choices easier and more cost-effective for our customers. Our green transition commitment comprises four key elements.

- We are taking actions to reduce our carbon footprint.
- We make green choices easier and more cost-effective for our customers.
- We integrate sustainability into risk management, credit assessments and property valuations.
- We work to improve the quality of sustainability data.

This is how we support the political ambitions of making Denmark greener

Selected initiatives at Nykredit and Totalkredit	Political agreements
 <p>Green car loan (Grønt Billån) (more affordable loans to finance electric and plug-in hybrid cars)</p>	<p>Agreement on green transition of road transport (2020)</p>
 <p>Green home loan (Grønt BoligLån) (more affordable loans to finance energy improvements)</p> <p>Totalkredit’s energy calculator (calculation of potential for energy improvements)</p> <p>Totalkredit’s home energy check-up (discount on visit by energy consultant)</p>	<p>The Energy Agreement of 2018 and the Danish Climate Agreement on Energy and Industry etc. of 2020 (the Building Pool subsidy scheme)</p> <p>Danish home improvements scheme aimed at increasing employment (BoligJobordningen) (the 2021 Budget Act – the part of scheme relating to builders’ services will be abolished in April 2022)</p>
 <p>Totalkredit: Initiative to replace oil-fired boilers (contribution of DKK 10,000 to customers who replace their oil-fired boilers with heat pumps)</p>	<p>The Danish Climate Agreement on Energy and Industry etc. of 2020 (Phasing-out of individual oil- and gas-fired boilers).</p>
 <p>Discount on construction loans for energy renovation and new building of public housing</p>	<p>The 2020 Green Housing Agreement</p>
 <p>Partnership with SEGES, a Danish agricultural knowledge and innovation centre, and Forenet Kredit on climate tools and climate training and education programmes.</p> <p>Exemption from fees when withdrawing land from agricultural use</p> <p>Green machinery leasing (Grøn Maskinleasing) (more affordable leasing of green agricultural machinery)</p>	<p>Agreement on green transition of Danish agriculture (2021)</p>
 <p>Mortgage financing of solar panel parks and wind turbines</p>	<p>The Danish Climate Agreement for Energy and Industry 2020</p>

[Link between the Nykredit Group’s initiatives and national political agreements.](#)

We are taking action to reduce our carbon footprint

The Nykredit Group's carbon emissions come from our own operations and the activities we invest in and fund. We determine our carbon emissions based on the best possible data using recognised determination methods to ensure transparency, to monitor our carbon footprint over time and to ensure that we take action in areas with the highest environmental impact and where Nykredit can make a difference. In 2021 we increased the coverage ratio in our carbon emissions statement by including emissions from mortgage loans to industrial and large

agricultural estates and from bank loans to business customers.

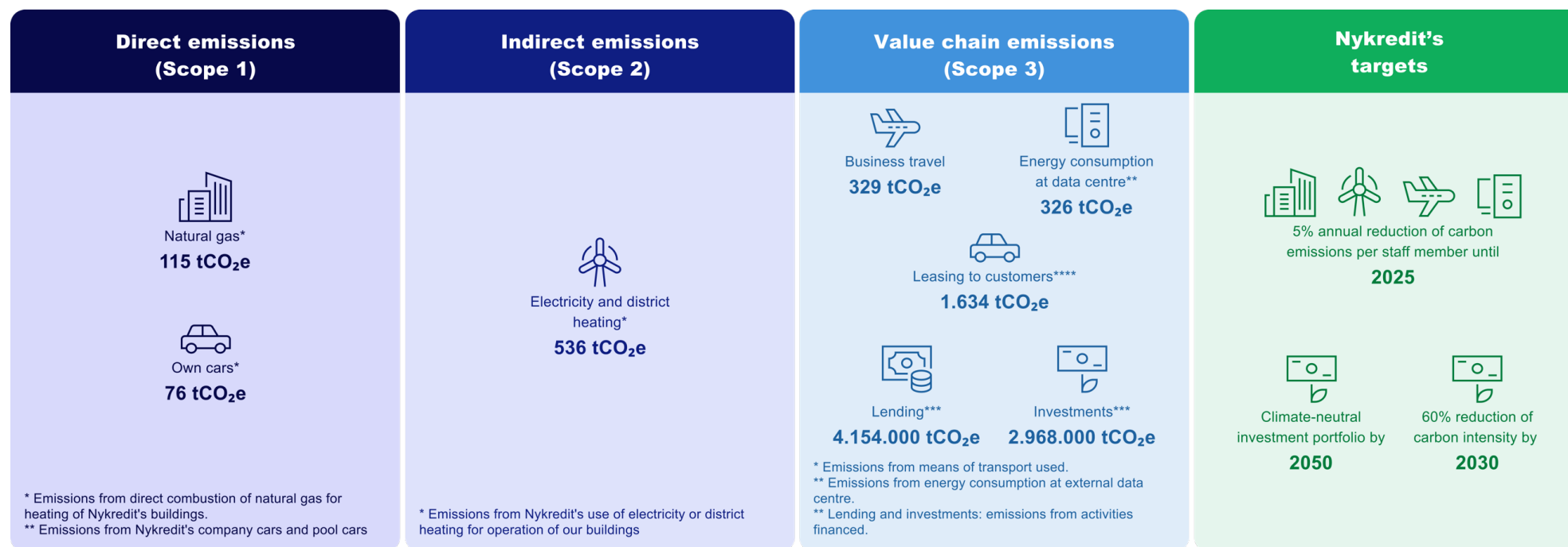
We have set targets in areas where there is adequate basis for doing so. We have reduced emissions from our operations by more than 80% since 2012 and have set a target of reducing emissions per FTE by 5% annually until 2025. For our investment portfolio, we have set a target of net zero emissions by 2050 and a 60% reduction of the carbon footprint from 2020 to 2030. Targets aside, we are committed to reducing carbon emissions from our activities through specific initiatives, products, partnerships and our relationships with

customers. We focus on areas which have the most intensive environmental impact and where we as a business can make the biggest difference. That is why we are committed to reducing carbon emissions in the following areas:

- Sustainable housing
- Sustainable agriculture
- Sustainable businesses and buildings
- Sustainable investments
- A greener Nykredit

Read more in the relevant sections.

The Nykredit Group's carbon footprint



Emissions calculated in accordance with the recommendations of Finance Denmark's Forum for Sustainable Finance and in accordance with Finance Denmark's manual for determination of carbon emissions. Read more in [Nykredit's Sustainability Fact Book 2021](#).

We make green choices easier and more cost-effective for our customers

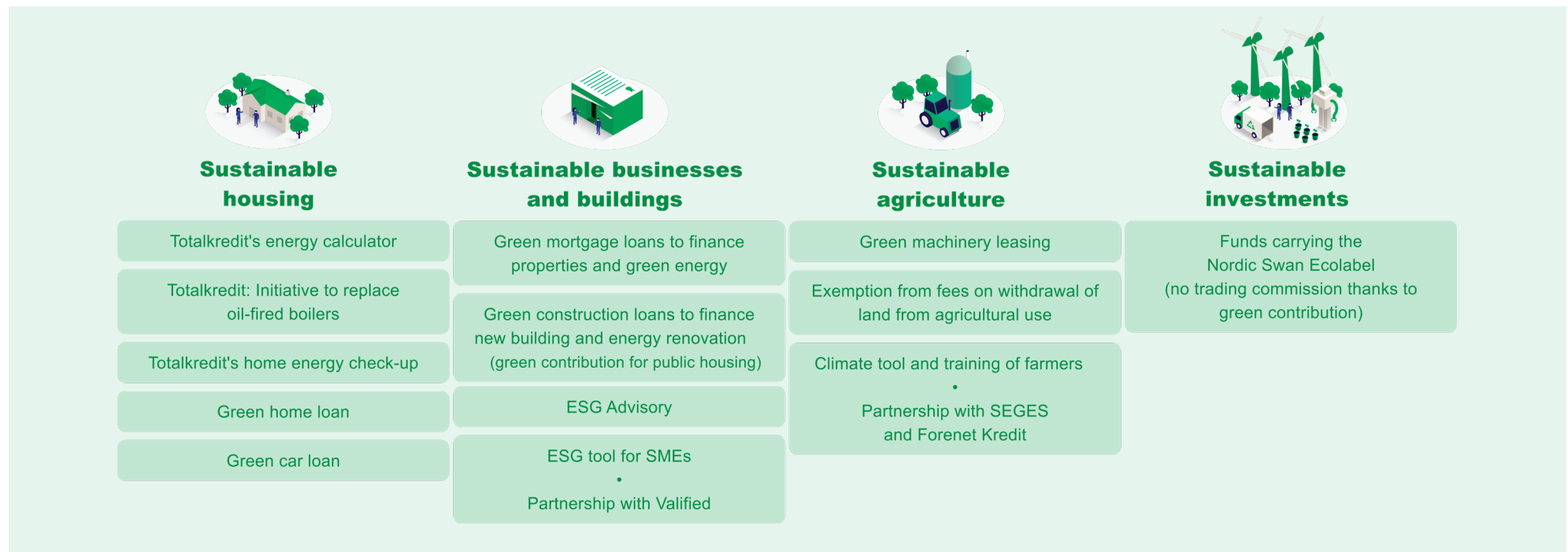
The Nykredit Group has decided to offer advisory services, products and solutions that make it easier and more affordable for our customers to make green and sustainable choices. A green contribution of DKK 200 million from our majority shareholder, Forenet Kredit, earmarked for green initiatives at Nykredit, Totalkredit and Forenet Kredit has given us unique opportunities to support our customers' green transition.

We have also integrated sustainability in our dialogue with customers. Nykredit should be able to offer holistic financial advice that – from a financial perspective – enables our customers to make the right choices. Therefore, we continually train our advisers and specialists to ensure that they have the right skills for sustainability talks with the customers.

Finally, we should strike a balance between helping our customers and imposing requirements to ensure that we and they support the green transition and address relevant risks.

We call it a *balanced insisting* customer approach, and it is being developed together with central organisations and stakeholders so that we raise our expectations of customers in a reliable and predictable manner.

Selected initiatives that make green choices easier and more cost-effective



We integrate sustainability into our credit assessment, risk management and property valuations

Climate change exposes Nykredit’s business activities and our customers to new risks and opportunities. Similarly, a range of other environmental, social and governance (ESG) factors entail risks as well as opportunities for our customers. It is pivotal that Nykredit is able to identify, contain and handle these risks, while at the same time detecting and exploiting new opportunities to the fullest. To that end, we aim to integrate new risks and opportunities into Nykredit’s risk management practices and into all relevant Nykredit policies in the areas of credit, valuation and risk management.

CREDIT

The sustainability profile of business customers has become increasingly important to 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 green transition. We also use the analysis to create insights for our customers and to increase their chances of acting on red flags or new business opportunities.

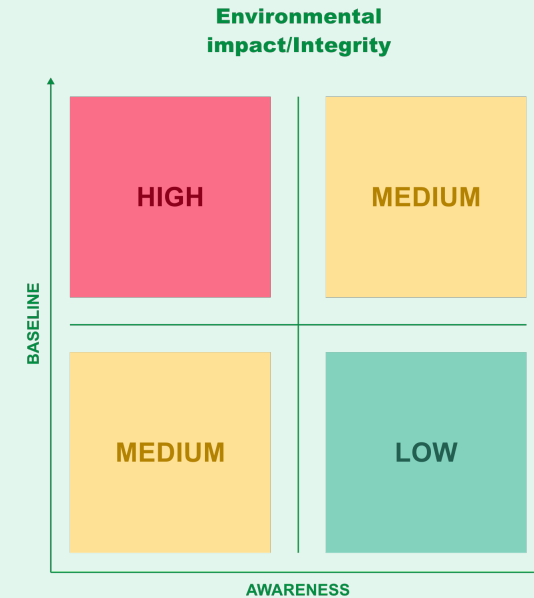
ESG factors are included in the credit analysis of all business customers

Analyses are divided into Environmental Impact (“E”) and Integrity (“S” and “G”). For both, the assessment method is based on a client’s baseline and awareness levels.

The baseline in terms of environmental impact is currently set on the basis of the industry categorisation of a client and the resulting climate footprint. Integrity is measured 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’ ethical and moral compass, such as bankruptcy track record, lawsuits etc. Diversity and independence of the board of directors are also assessed for the largest companies.

The awareness level is a subjective assessment of a client’s level of ambition in the relevant area and its efforts to mitigate relevant risks.

Overall, this offers an indication of the risk of the customer’s competitiveness being reduced over time, which will cause Nykredit’s credit risk to increase. These methods will be further expanded as data at client level become available.



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 include assessment of physical and transition risk relating to climate change as well as other ESG factors if relevant to individual customers. Risks related to climate changes are integrated into the work undertaken in relation to the traditional risk types, and risk management therefore adheres to principles and working procedures already established.

Our staff are currently being trained to handle this task in the best way possible. The aim is to integrate such risks directly into Nykredit's risk models in the longer term. Specifically, Nykredit seeks to map its exposures in various stress scenarios of future, more extreme weather events and/or rising water levels.

PROPERTY VALUATIONS

We have incorporated ESG factors into our valuation policy. Particularly, we have had focus on the impact of climate change on property valuations. This means that we will include environmental and climate factors in our property valuations if these aspects are assumed to affect the value of a property. In the coming years we aim to improve our property valuations and train our Group's valuation specialists in this area.

Also, we are widening our focus on risk from properties in exposed geographic areas to all properties. Initially this will be done through the use of accessible climate data platforms with commenting in the valuation report. In the longer term, it will be done through a more structured approach to capturing and collecting data.

ESG- and climate-related risks

ESG-related risks comprise risks relating to existing or future impacts of ESG factors on customers and counterparties as well as on invested assets. Risks relating to ESG factors affect traditional risk types, including credit risk, market risk, liquidity risk, funding and operational risk.

Risks arising from climate change include physical risks and transition risks. Physical risks pertain to the costs and losses arising from extreme weather conditions or long-term effects brought about by climate change. For Nykredit, one example could be the risk of flooding of low-lying homes and buildings, and, with that, the risk that the value of the asset serving as 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 strive 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, too, needs reliable sustainability data. At the same time, we can help our customers get access to improved quality of 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
- fulfil the new reporting obligations, which include extensive data requirements
- strengthen our position in a market where sustainability is an important competitive parameter
- understand how to handle new risks
- be able to assist and impose requirements on customers
- increase the quality of our carbon emissions statement

Financed carbon emissions and data quality

	Sustainable housing	Sustainable businesses and buildings	Sustainable agriculture	Sustainable investment
Lending/investments included (DKK billion)	905	386	86	523
Coverage ratio	96%	77%	100%	69%
Emissions (ktCO ₂ e)	1,031	1,172	1,951	2,968
Emission intensity (ktCO ₂ e/DKK million)	1.14	3.04	22.6	5.7
Weighted data quality (1 = High, 5 = Low)	3.4	3.7	5	4

The lowest data quality levels (4-5) reflect that the underlying calculations are based on general statistics. The highest levels (1-2) reflect that the underlying calculations are more specific calculations made on the basis of either specific measurements or emissions that have been verified in other ways. More information about Nykredit’s CO₂e data quality for the respective business areas is available in Nykredit’s Sustainability Fact Book. The determination includes the assets for which methods of calculation of carbon emissions have been developed. These are available in Finance Denmark’s manual. Thus, the figures do not include all Nykredit assets.

However, in a number of areas, data accessibility and data quality continue to pose a huge challenge, to us and to our customers. This has led Nykredit to simultaneously strengthen our own data and help customers strengthen and access data.

TAKING CO₂E DATA TO THE NEXT LEVEL

Nykredit is working closely with Finance Denmark to further develop the financial sector’s CO₂e model. A data quality scale was introduced in 2021 to illustrate the quality of the data used by individual banks as a basis for C₂e calculations. The scale goes from 1 to 5, 1 being the highest data quality, and 5 the lowest.

Nykredit’s carbon emissions statement is for a large part based on statistics from, for example, the energy label distributions of the Danish Energy Agency and Statistics Denmark’s Emission Accounts and account statistics. Consequently, the data quality level, which appears from the table below, is low for the time being. In 2021, Nykredit’s weighted CO₂e data quality was 3.7.

New tools for farmers and SMEs to improve sustainability data

Working in partnership with Forenet Kredit and in collaboration with Nykredit, SEGES (a private, independent non-profit research and development organisation of the agricultural sector) launched a new climate tool at the beginning of 2022 to be used by farmers to determine carbon emissions from their farms. Data collected by the tool may be shared with Nykredit and other financial businesses for the purpose of determining emissions from our lending to agricultural customers and in our dialogue with customers on the green transition. Data collected by the tool are expected to be of good quality, and the tool may thus be used to achieve a higher coverage ratio as well as higher data quality of our calculations.

Sustainability data also pose a great challenge to SMEs. Therefore, in partnership with Validif, Nykredit has launched a tool that allows for easy determination and reporting of carbon emissions and other relevant sustainability data by this group. These data may also be shared with Nykredit, who may use them for calculations, credit assessments and customer dialogue.

However, data at customer level are important, as they allow us and our customers to take the right measures to reduce carbon emissions and to monitor progress. Therefore, we are consistently refining our use of specific data sources. Two specific examples include the soon-to-be-launched SEGES tool and Nykredit’s partnership with Valified, which are aimed to improve the data quality for agricultural and SME customers, respectively.

NYKREDIT’S GREEN ASSET RATIO

The financial sector may support the green transition by targeting our financing operations at activities that contribute to the transition. The EU’s Taxonomy Regulation defines activities that qualify as sustainable. Over the coming years, financial companies will become subject to disclosure of the ratio of assets that qualify as sustainable under the Taxonomy Regulation – the so-called Green Asset Ratio. Financial companies are required to disclose the Green Asset Ratio (GAR) from 2024.

Nykredit is therefore currently focusing on securing the data necessary to determine this ratio. This includes collection and registration of relevant data at Nykredit and relevant data from our customers. As a first step, Nykredit has determined the proportion of total assets that consist of exposures to activities currently eligible under the EU taxonomy, relative to activities that are currently not eligible under the EU taxonomy. For non-financial companies, data should consist of the companies’ own disclosures, which are not due until 2023, or data procured from the companies. The disclosure requirements of financial and non-financial companies are laid down in Article 8 of the Delegated Act of the EU Taxonomy.

The part of business lending that has been granted for an unspecified activity is not taxonomy-eligible.

Green Asset Ratio (taxonomy eligibility)

- Exposures of DKK 982 billion, or 58.7% of total assets, are eligible under the current EU taxonomy. The main part, or 99%, consists of mortgage loans to households, while the remaining part consists of home loans and car loans with Nykredit Bank. This reflects Nykredit’s nature as a mortgage provider with significant lending activity to households.
- Exposures of DKK 155 billion, or 9.3% of total assets, are not eligible under the EU taxonomy. These include companies that are subject to disclosure of non-financial information in accordance with the Non-Financial Reporting Directive.

	DKK billion	Proportion of total assets
Exposures to taxonomy-eligible economic activities	982	58.7%
Exposures to taxonomy non-eligible economic activities	155	9.3%
Exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU	43	2.6%
Derivatives	17	1.0%
Exposures to central governments, central banks and supranational issuers	368	22.0%
Trading portfolio	101	6.1%
On demand interbank loans	4	0.3%
Total assets, of balance sheet in the Annual Report	1,673	

Read more in the [Sustainability Fact Book 2021](#).

Sustainable housing

The Danish Council on Climate Change has on several occasions pointed to *energy savings* and *heat source replacement* and *more electric cars* as central elements in the green transition of Denmark, most recently in 2020 in its analysis of how we reach the target of a 70% carbon reduction by 2030.

Homeowners thus play a central role in the green transition and may contribute significantly to the reduction of carbon emissions through energy renovation in their homes and other green choices. However, getting started may seem expensive and difficult, and several analyses show that financial and practical aspects are substantial

barriers to getting started and to turning intentions into action.

Thanks to a contribution from our majority shareholder, Forenet Kredit, the Nykredit Group has launched a series of products and solutions that will make it easier and more affordable for homeowners to make green choices, reduce energy consumption and carbon emissions from their homes and buy greener cars.

2021 has shown us that many customers are ready to embrace the green transition and finance their green choices through the Nykredit Group.

Customers welcome initiative to replace oil-fired boilers

Replacing fossil heat sources with green energy is a key element of the green housing stock transition in Denmark. Nykredit has offered Totalkredit customers looking to replace their current oil-fired boiler with a heat pump a cash contribution of DKK 10,000. If they switch to a heat pump, they may typically save thousands of kroner annually, while reducing their carbon emissions by up to 70%. Since December 2020, Totalkredit has issued 2,300 vouchers to customers in 95 of the 98 Danish municipalities.

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-up (EnergiTjek) may include or exclude 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.

230 Energy check-ups (EnergiTjek) since April 2021

ENERGY CALCULATOR

Totalkredit

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

70.000 energy calculations



Financing of energy renovation

INITIATIVE TO REPLACE OIL-FIRED BOILERS

Totalkredit

Thanks to contributions from Forenet Kredit, Totalkredit offers DKK 10,000 to each of 3,000 customers if they replace their current oil-fired boilers with heat pumps.

2.300 vouchers

GREEN HOME LOAN (GRØNT BOLIGLÅN)

Nykredit

Loans to finance energy improvements. Thanks to contributions from Forenet Kredit, full-service customers of Nykredit Bank are offered loans free of up-front fees at an interest rate of as low as 0%.

967 green home loans



Financing of green cars

GREEN CAR LOAN (GRØNT BILLÅN)

Nykredit

Loans to finance electric, hydrogen or plug-in hybrid cars. Thanks to contributions from Forenet Kredit, full-service customers of Nykredit Bank are offered these loans free of up-front fees at 1% interest.

2.794 green car loans

Heat pumps and windows are top of list when customers make energy improvements

On 1 October 2020, Nykredit launched an attractive green home loan for energy efficiency improvements (Grønt BoligLån), which is offered free of up-front fees and at 0% or 1% interest depending on the term of the loan.

Since the loan was launched, Nykredit has provided financing for more than 1,500 energy efficiency improvements.

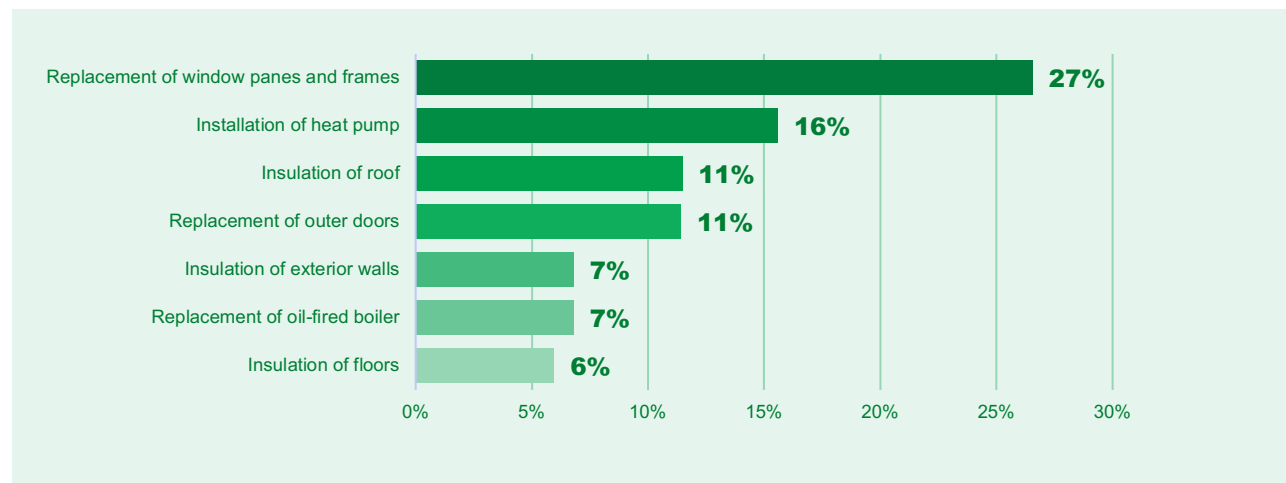
In particular, replacement of window panes and frames as well as installation of heat pumps are popular choices when our customers make energy efficiency improvements.

Energy renovation with a real impact

It is essential for the Nykredit Group that a real impact on energy consumption and carbon emissions is obtained from the energy efficiency improvements we help finance. In practice this means that our initiatives align with public subsidy schemes. For instance, Nykredit's green home loan (Grønt BoligLån) may only be used to finance energy renovation covered by the Danish home improvements scheme aimed to increase employment (BoligJobordningen) and the Building Pool subsidy scheme.


Therefore, Nykredit has asked the Danish Technological Institute (DTI) to calculate one year's worth of energy and CO₂e savings for 25 of our green home loans. The DTI analysis shows an average savings effect in year 1 of 1.1 tonnes of CO₂e. However, large differences lie behind these numbers. For example, the CO₂ saving is much higher when replacing oil-fired boilers with heat pumps than when replacing windows.

Top 7 among 1,500 energy renovation initiatives financed by a green home loan (Grønt BoligLån)



Example

 Replacement of windows

 Replacement of oil-fired boiler with heat pump

Loan amount	DKK 65,000	DKK 80,000
Energy saved (year 1)	746 kWh	15,995 kWh
CO ₂ e saved (year 1)	0.17 tonnes of CO ₂ e	4.5 tonnes of CO ₂ e

Source: The Danish Technological Institute on behalf of Nykredit.

Energy renovation from a life-cycle perspective

Calculation of energy savings from energy renovation is mostly based on energy used to run a dwelling. However, there is more to the calculation than that. Manufacturing and transport of materials also require energy and generate carbon emissions, which should be factored in when determining whether energy renovation does in fact have a positive environmental impact. Also, one must take into account the useful life of the renovation work. Therefore, the Danish Technological Institute has conducted a life-cycle analysis of specific energy renovation projects in private dwellings on behalf of Nykredit's majority shareholder, Forenet Kredit. The analysis provides a picture of the overall climate impact of renovation work. Here are some of the conclusions:

- Replacing windows that are not double-glazed windows or low-energy windows always generates environmental gains.
- Insulating uninsulated loft space always has a positive effect – no matter the amount of re-insulation.
- Re-insulating a house with a flat-topped roof always produces environmental gains. The largest gain is achieved if a house is heated using natural gas or an oil-fired boiler.
- If the house is heated using an oil-fired boiler or natural gas, switching to district heating or a heat pump is a good idea.
- Homeowners considering solar panels on the roof are advised to choose a long-life, high-quality solar panel system and, if possible, a system with a manufacturer-approved environmental profile. The negative environmental impact of manufacturing solar panels may otherwise exceed the environmental gain of solar panels.

This knowledge may be used to help our customers make sustainable choices when they make energy renovations in their homes. Read more here (in Danish): *Kom godt fra start med din energirenovering - Forenet Kredit.*



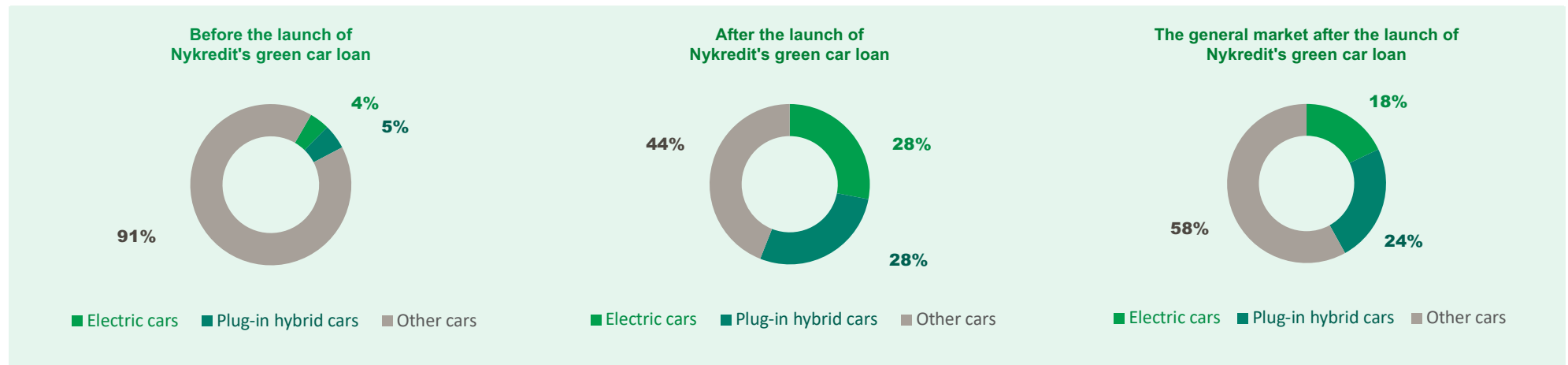
More than half of all new car loans are used to buy green cars

The carbon footprint of cars makes up around 13% of Denmark’s total carbon emissions; for this reason, conversion of the total car population into green alternatives holds great potential.

To encourage customers to make green choices when they buy cars, Nykredit offers green car loans (Grønt Billån), which are attractive when choosing electric, hydrogen or plug-in hybrid cars. The loan is offered free of up-front fees and at 1% interest, and demand seems to indicate that attractive financing makes green choices easier for our customers. After the launch of the green car loan, more than half of the cars financed by Nykredit are electric or plug-in hybrid cars – a share that is significantly above the general market level.



The green car loan has a clear impact on the proportion of green cars financed by Nykredit



The left-hand figure comprises all car loans initiated in the period between 1 January 2019 and 29 September 2020. The figure in the middle comprises all car loans initiated in Nykredit in the period between 1 October 2020 and 31 December 2021. The right-hand figure comprises all new registrations of cars with the Digital Motor Register (DMR), as retrieved from Statistics Denmark, table BIL51 (New registrations of passenger cars by ownership and propellant), in the period from 1 October to 31 December 2021.

Sustainable housing



Societal challenges

Energy consumption in buildings makes up around 40% of Denmark's total energy consumption. 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 150,000 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 13% of Denmark's total carbon emissions, and zero- and low-emission cars only make up around 2% of all cars.



Key figures and targets

CO₂e footprint, residential properties

905

Lending covered (DKK billion)

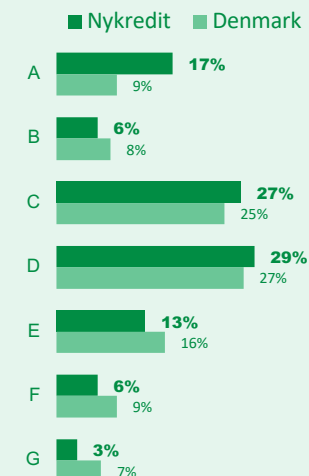
1,031

CO₂e emissions financed (kilotonnes)

1.14

Emission intensity (tonnes of CO₂e/DKK million)

Distribution of energy labels



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

Backed by a contribution from Forenet Kredit, Nykredit has launched a number of initiatives that make going green easier and more affordable. In 2021 our customers truly embraced these products.

- Nykredit Bank:
 - More than 1,800 customers have made home energy renovations financed by a green home loan (Grønt BoligLån). Customers particularly choose to replace windows/panes and install heat pumps.
 - And more and more customers choose electric and plug-in hybrid cars. In 2021 our green car loan (Grønt Billån) made up more than 50% of all car financing provided by Nykredit.

- Joint efforts with the Totalkredit partner banks:
 - 70,000 calculations made using the energy calculator in 2021.
 - Since December 2020, 2,300 customers have received a voucher of DKK 10,000 from Totalkredit under the initiative to replace oil-fired boilers. 1,100 customers have received a cash contribution.
 - Launched Totalkredit's home energy check-up (Energijtjek), offering customers with a large energy potential a discount on energy check-ups and energy labels. 230 customers have accepted this offer.



Risks of negative impact on society:

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

Nykredit's risk

Lack of repairs – including energy renovation – of our customer's homes may reduce the value of a property and thus the security behind 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 2022

- Nykredit and Totalkredit are committed to encouraging more homeowners to make energy renovations in their homes and to choose more climate-friendly cars. Therefore, in 2022, we will seek more opportunities for providing products and advisory services that help and motivate our customers and make it easy to go green.

Sustainable businesses and buildings

The green transition requires massive investments in climate-friendly construction, in the development of green solutions and in corporate initiatives that may reduce greenhouse gas emissions. And Nykredit will contribute by providing financing. Therefore, we are constantly developing our core business, mortgage lending, as well as our other products and advisory services to support the transition among our customers in the best way possible.

We also use our credit assessments of business customers as a basis for addressing, together with the individual customer, their approach to challenges and opportunities brought about by climate change and other factors related to sustainability.

We finance the green transition through mortgage loans and green loans

Mortgage lending is a low-cost and secure source of financing suitable for financing assets necessary to drive the green transition. For example, around 37% of all commercial property in Nykredit's portfolio with a valid energy label has an A or B energy label, and we continually finance new energy-friendly property. At the same time we are exploring more ways of supporting the green transition through mortgage lending. For example, as the first lender in Denmark, Nykredit provided mortgage finance for solar panel parks in the summer of 2020. Nykredit has also provided extensive mortgage financing for the Danish transmission network, which plays a large and important role in the green transition of the energy sector and other sectors.








Also, we offer our customers green bonds for lower-cost financing of green assets. Green bonds serve as

investors' guarantee that loan proceeds are earmarked for financing of green assets, which often provides for better market rates.

Our Green Bond Framework defines which assets are eligible for financing using green bonds. These include energy renovation of buildings, renewable energy and energy distribution. In 2021 the volume of green bonds rose considerably. Nykredit's Green Bond Investor Report includes data on the impact of green bonds.

Backed by a contribution from Forenet Kredit, Nykredit introduced a discount on green construction loans for public housing in 2021. These loans will make the transition to a more sustainable housing stock more affordable to public housing organisations. The requirements for raising a green construction loan for new building and renovation comply with Nykredit's Green Bond Framework.

Nykredit's Green Bond Framework

Green buildings	Renewable energy	Energy distribution	Transport	Clean water and wastewater	Sustainable agriculture and forestry	Circular economy
						
New building, acquisition of green buildings, energy renovation	Wind energy, solar cell energy, biomass plants, biogas production, water power and geothermal energy	Electricity production, energy storage and district heating distribution	Electric cars and plug-in hybrid cars	Sewage treatment plants, sewage systems, water supply	Forestry and agriculture that meet specific criteria	Waste management and recycling

The Green Bond Framework defines the types of green assets that may serve as backing for green bonds. Nykredit's Green Bond Committee is responsible for the Green Bond Framework. Read more in [Nykredit Green Bond Framework](#) and [Nykredit Green Bond Investor Report](#).

Sustainability forms an integral part of our credit assessments

Climate change and the necessary transition to a more sustainable society will challenge the business model as well as the production and markets of a large number of business customers. For others the green transition will bring new opportunities. These risks – and other ESG-related risks – may affect customers’ creditworthiness. Therefore, our credit policy now includes the requirement of an assessment of relevant ESG factors for business customers. This requirement applies to all sectors and industries and aims to ensure that Nykredit considers the sustainability-related opportunities and risks as well as the strengths and weaknesses of the individual customer.

The analysis is divided into Environmental Impact (“E”) and Integrity (“S” and “G”). For both, the assessment method is based on a client’s baseline and awareness levels, taking into account the current position of the business in terms of environmental impact and focus on social factors, general employment conditions as well as management’s and the board of directors’ ethical and moral compass. For the largest customers, the assessment also includes diversity and the independence of the Board of Directors.

The awareness level is a subjective assessment of a client’s level of ambition in the relevant area and its efforts to mitigate relevant risks.

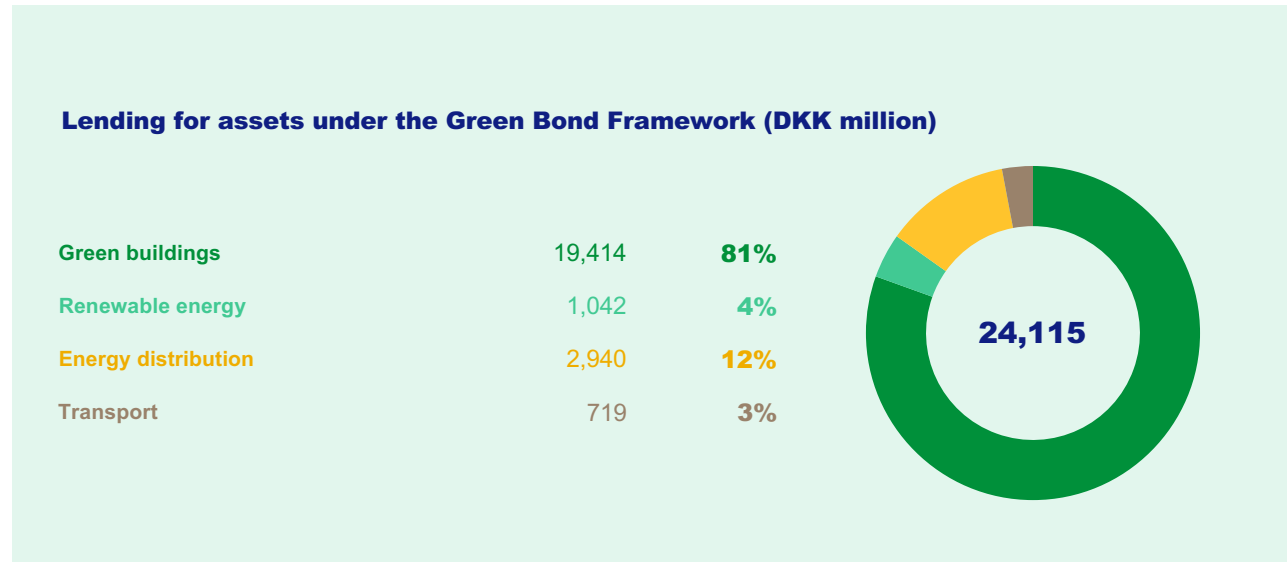
Overall, this offers an indication of the risk of the customer’s competitiveness being reduced over time, which will cause Nykredit’s credit risk to increase. The methods will be expanded as data at customer level become available. Also, we are continually upgrading advisers’ ESG assessment skills.

Strategic ESG advisory services help businesses navigate the transition

Nykredit’s deep insight into our customers’ business models, challenges and potentials is a key factor in the holistic advisory services we provide. We can also use this knowledge to promote the green transition. We can help customers identify areas well suited for transition and plan the financing of relevant initiatives. Customers should experience coherence between their green transition efforts and the financial solutions we offer. We are sharpening our advisory services and improving our products to be able to prepare sector-specific solutions on the basis of our dialogue with customers. Because of the increasing awareness of ESG ratings among investors, more businesses want to strengthen their

corporate responsibility and sustainability commitment and want to get credit for doing so. This is why we are also offering advice and project management to customers looking to improve their ESG profile and rating.

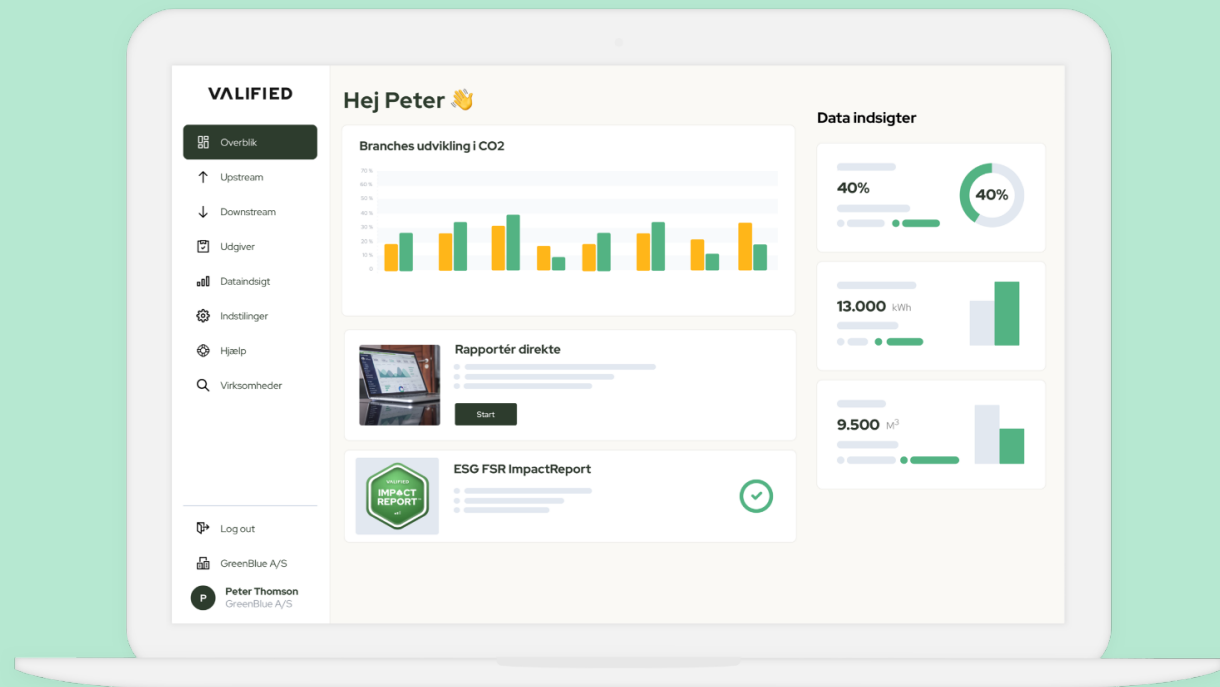
Green financing



Determination of mortgage and bank loans under Nykredit’s Green Bond Framework, by asset type.

Reporting tool to help SMEs manage ESG data

In collaboration with Valified, Nykredit has launched an online reporting tool for SMEs. The tool makes it simple and easy for SMEs to compile, measure, document and report ESG data and enables them and Nykredit to meet future regulatory requirements and the requirements of SMEs as suppliers. This is a unique opportunity for customers to work with their climate footprint, which will give them a significant edge over competitors in the future.



Sustainable businesses and buildings



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 Danish financial sector climate partnership estimated that the Danish businesses' investment need in relation to electricity production, electricity distribution, manufacturing energy efficiency, green industrial transition etc will amount to at least DKK 350 billion towards 2030. At the same time, the Danish building stock, which accounts for around 40% of total energy consumption in Denmark, has an energy renovation need. Existing buildings need to undergo energy renovation, and new buildings should be as climate-friendly as possible.



Nykredit's response

Nykredit is a committed provider of green transition financing for property investors and businesses. We finance infrastructure used to drive the green transition, renewable energy and a variety of other green assets, and 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.

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 and financing of initiatives that develop and support the transition of society and the individual businesses.

Finally, our portfolio management and credit assessments allow for sustainability-related opportunities and risks as well as strengths and weaknesses of the individual customers.



Key figures and targets

CO₂e emissions from multi-storey, office and retail properties

386

Lending covered (DKK billion)

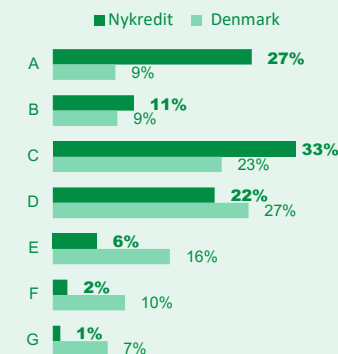
1,172

CO₂e emissions financed (kilotonnes)

3.04

Emission intensity (tonnes of CO₂e/DKK million)

Distribution of energy labels, commercial property



Governance

Responsibility for initiatives relating to the largest commercial properties and business customers rests with the Head of Corporates & Institutions. Responsibility for Nykredit's green bonds rests with the Head of Group Treasury. Nykredit's Green Bond Committee is responsible for Nykredit's Green Bond Framework.

Policies

- Credit policy
- Green Bond Framework 2020
- Valuation policy



Activities and achievements

- Increased volumes and new types of assets in green bonds after the launch of the extended Green Bond Framework.
- Interest rate discount on construction loans for energy renovation and new building of public housing backed by a contribution from Forenet Kredit.
- Acted as adviser to a number of corporate customers looking to improve their ESG profile and rating.
- Online ESG reporting tool for SMEs launched as pilot project in collaboration with Valified.
- Extended ESG integration into credit assessments of business customers to include scales for environmental impact and integrity.



Risks of negative impact on society

- Businesses and properties receiving loans from Nykredit may have a negative impact on the climate and the environment caused by energy consumption, carbon 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 transition to a more sustainable society challenge 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 circumstances as part of our credit assessment.



Ambitions for 2022

- Further develop the ESG assessment, using, for instance, quantitative data and the EU taxonomy.
- Develop concepts and solution that may help businesses on their ESG journey and provide financing for the green transition.
- Ensure a continued increase in the number of green activities financed using green bonds.

Sustainable agriculture

The Danish agricultural sector sets ambitious targets in the climate area, and society places demands on the green transition of agricultural and food production, which was most recently emphasised by the Danish green deal for the agricultural sector.

Being the largest lender to the agricultural sector, Nykredit supports these ambitious targets. 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 the new partnership aimed to prepare farmers for the green transition through increased use of data.

Sustainability in credit assessments, advisory services and products

A strategic focus on sustainability has increasingly become necessary to ensure a robust and financially sustainable farm. This is the starting point of Nykredit's advisory services to agricultural customers, which have been designed to add value to the individual customer, local communities and the overall green transition. We find it important and expect that individual farmers are aware of the climate impact, biodiversity, the environment and working conditions, just as they must have clear plans and benchmarks for the future development.

The individual farmer's approach to sustainability issues forms an integral part of the overall credit assessment. Also, together with the individual farmers, our advisers aim to identify and finance initiatives that contribute to the sustainable development of their farms.

Nykredit also supports farmers' transition by making green choices easier and more attractive. In 2021 we extended our low-cost green technology financing proposition and removed the case handling fee for farmers withdrawing low-lying land areas from agricultural use.

Increasing focus on sustainability also introduces new requirements of our advisers, and in 2021 we completed the first part of our sustainability training programme.

Agile credit policy and no fee on withdrawal of land from agricultural use

The most effective climate tool in the area of agriculture is withdrawal of low-lying land areas from agricultural use. Nykredit supports the withdrawal of land, and in 2021, backed by a contribution from Forenet Kredit, we removed the case handling fee, just as we adjusted our credit policy to adopt a more agile and holistic approach when several properties are involved.

Choosing green technology is more economical

Green machinery leasing enables farmers to finance new sustainable technology at interest rates as low as 0%. DKK 500m has been earmarked in 2022 for this initiative, backed by a contribution Forenet Kredit.

Examples of technology eligible for green financing:

- Inter-row weeders with camera steer hitch
- Sowing machines equipped with commercial fertilizer and eco fertilizer spreader
- Drones for weed mapping

Knowledge-sharing and data will be key in reaching climate targets

The agricultural sector's own climate goal is for the sector to become climate neutral by 2050. A significant part of the reduction in carbon and nitrogen emissions from the agricultural sector should, however, be achieved through the use of technology that has not been developed yet or is not in widespread use. Data and methods used to determine the climate footprint of individual farms are still far from forming a solid foundation for action.

“Farmers need knowledge of action points, which action to take and the effect of the action,”

Ejnar Schultz, SEGES

A new partnership between Nykredit's majority shareholder, Forenet Kredit, and SEGES, a knowledge and innovation house of the agricultural sector, aims to provide farmers with tools and knowledge to be used to find a useful and documented effective path forward in the green transition.

Nykredit collaborates closely with the partnership, and In 2021 we entered into an agreement with SEGES on the transfer of sustainability data and contributed to the development of the new tool. Going forward, Nykredit may use the data retrieved from the climate tool to strengthen credit assessments, optimise our advice to the individual farmer and support our dialogue with the sector in general on how the financial sector can best support the green transition of the agricultural sector.



New partnership: Climate tool and training to drive the green transition

Forenet Kredit and SEGES have joined forces in the roll-out of a new digital climate tool for the agricultural sector and climate training for farmers and agricultural science students.

The climate tool will be developed and offered to all farmers at the beginning of 2022. The tool is to provide the individual farmer with a current status of the climate footprint of the farm, calculate the effect of various climate initiatives and help the farmer choose the best initiative.

The climate training programme will be offered in 2022 and at the beginning of 2023, and the aim is to train 3-5,000 farmers and agricultural science students. The climate training programme will be offered to small and large farms in Denmark, conventional and ecological farms alike.

Sustainable 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 sustainable solutions and investment in sustainable production methods. The sector has set its own target of carbon-neutrality by 2050, and a broad selection of the political parties represented in the Danish parliament have entered into an agreement on specific reduction targets for carbon and nitrogen emissions.



Nykredit's response

Nykredit wants to help guide more farmers into making choices that support a greener Denmark, and we will join forces with the agricultural sector to reach the political goals and the ambitious 2050 target. Therefore, our advisory services and financing must serve towards increasing the sustainable development of the individual farm.

We find it important and expect that individual farmers are aware of the environmental 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 and benchmarks for progress.

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 sustainable agriculture rests with the Head of Banking Business Development.

Policies

- Credit policy



Activities and achievements

- Used up DKK 500 million allocated to green machinery financing (Grøn Maskinfinansiering). Another DKK 500m has been allocated to green machinery financing thanks to a contribution from Forenet Kredit.
- Launch of training programme for agricultural advisers with focus on the approach to sustainability in the agricultural sector of market leaders.
- Revised credit policy and removed the case handling fee in support of the withdrawal of low-lying land areas from agricultural use.

- Nykredit's climate and sustainability prize established in collaboration with the Danish Agriculture & Food Council and Forenet Kredit, targeted at well-established farmers as well as young farmers who are just getting started. The prize will be awarded for the first time in mid-2022.
- Entered into agreement with SEGES on the transfer of sustainability data.



Risks of negative impact on society

Farms having loans with Nykredit may have a negative impact on the climate and the environment through their emission of carbon, 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 it leads to the closing down of farms and workplaces.

Nykredit's risk

In terms of climate, the agricultural sector is a high-risk area, and Nykredit's exposure is significant in this area. The green transition of the agricultural sector may have an impact on the financial situation of the farms that do not meet the mounting requirements and expectations, and of farms that are not able to pass additional costs of the green transition on to the consumers.



Ambitions for 2022

- Ensure additional upskilling of staff with focus on market knowledge and basic knowledge of sustainability so that we strengthen the quality of our advisory services and risk management.
- Award Nykredit's climate and sustainability prize for the first time.
- Implement climate and sustainability tool among farmers and commence data transfers to Nykredit.
- Train agricultural customers in collaboration with SEGES and Forenet Kredit.
- Further develop our ESG assessments, using quantitative data, etc.

Key figures and targets

Carbon footprint, agricultural properties

86

Lending covered (DKK billion)

1,951

CO₂e emissions financed (kilotonnes)

22.60

Emission intensity (tonnes of CO₂e/DKK million)

Nykredit collaborates with the entire food cluster on optimal measuring methods for progress monitoring. SEGES, for example, collects data and defines standards.

Additional key figures are defined when an adequate amount of sustainability data for the agricultural sector is available.

Sustainable investments

Nykredit’s ambition is to invest in ways that create value for our customers and benefit society. The world is facing major social and environmental challenges, and together with our customers, we will support sustainable development and contribute to realising the UN Sustainable Development Goals and limiting the climate challenges.

Nykredit sets ambitious climate targets

For several years Nykredit’s ambition has been for our 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 in the year, Nykredit published an ambitious target of reducing the emission intensity across asset classes by 60% from 2020 to 2030.

But ambitious targets do not fulfil themselves. That is why we are taking various measures to ensure the long-term decarbonation of Nykredit’s investments:

- Active stewardship of fossil companies and high-emission companies
- More green investments
- Climate-related benchmarks
- Exclusion of companies without a reliable transition plan that aligns with the Paris Climate Agreement

Active stewardship to promote the green transition

Nykredit seeks to support our investee companies in their transition towards a net zero emission economy. We engage with the companies that are responsible for a significant share of total emissions from our portfolios to ensure that they set targets in alignment with those of the Paris Climate Agreement and IEA’s scenario for meeting them. Our engagement involves dialogue with our investee companies on a day-to-day basis and through the global investor initiative Climate Action 100+. Under the initiative, Nykredit – along with 616 other investors representing a total net asset value of more than USD 60,000 billion – engages with the 167 companies that account for over 70% of the world’s total emissions.


In the period up to the 2021 COP26 UN Climate Summit in Glasgow, companies and investors increasingly backed specific targets aligning with the targets of the Paris Climate Agreement. Under Climate Action 100+, Nykredit is part of the group responsible for engagement with Maersk and Heidelberg Cement. Both companies have set ambitious climate targets. For example, Maersk wants its first carbon-neutral container ship to put to sea already in 2023, and Heidelberg Cement uses 80% of its research budget to develop sustainable solutions.

Under Climate Action 100+, Nykredit has for several years engaged with the steel manufacturer ArcelorMittal on climate risks and other issues. Steel manufacturing is extremely resource intensive, and as the 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 a target to cut global carbon emissions from its own activities by 25% by 2030 and to launch the world’s first carbon-neutral steel plant in 2025.

Nykredit Asset Management is also a supporting signatory to the Task Force on Climate-related Financial Disclosures (TCFD), and we encourage our investee companies to sign the TCFD recommendations and use the systematic approach prescribed by the recommendations. Furthermore, Nykredit is an active participant in the Carbon Disclosure Project and the IIGCC climate network.

Nykredit’s targets



Climate-neutral investment portfolio by
2050

60% reduction of emission intensity by
2030

All funds must prove their movement towards
attaining the 1.5°C climate target by
2030

Carbon emissions from Nykredit's investment portfolio

	Investments, Nykredit and Sparinvest	Own portfolios
Business volume (DKK billion)	420	103
Coverage ratio (%)	69	70
Emissions (ktCO ₂ e)	2,830	138
Weighted average carbon intensity (WACI)*	20	-

The figures comprise scopes 1 and 2, which cover emissions from companies' own consumption of fossil fuels as well as from their electricity consumption. Alternatives and hedge funds are not included under carbon emissions.
 * Exclusive of government bonds, mortgage bonds, alternatives and hedge funds.

We determine carbon emissions, but data are incomplete

Nykredit discloses the total climate footprint of our investments on behalf of our customers and of our own holdings. The calculations shown on the left-hand side have been prepared in compliance with Finance Denmark's recommendations and are based on data from the Carbon Disclosure Project, data reported by bond issuers and data provided by MSCI, etc.

However, data covering a range of asset classes are lacking for a complete overview. The determination therefore only includes investments in listed equities, corporate bonds and mortgage bonds. This corresponds to about 83% of Nykredit's total investments.

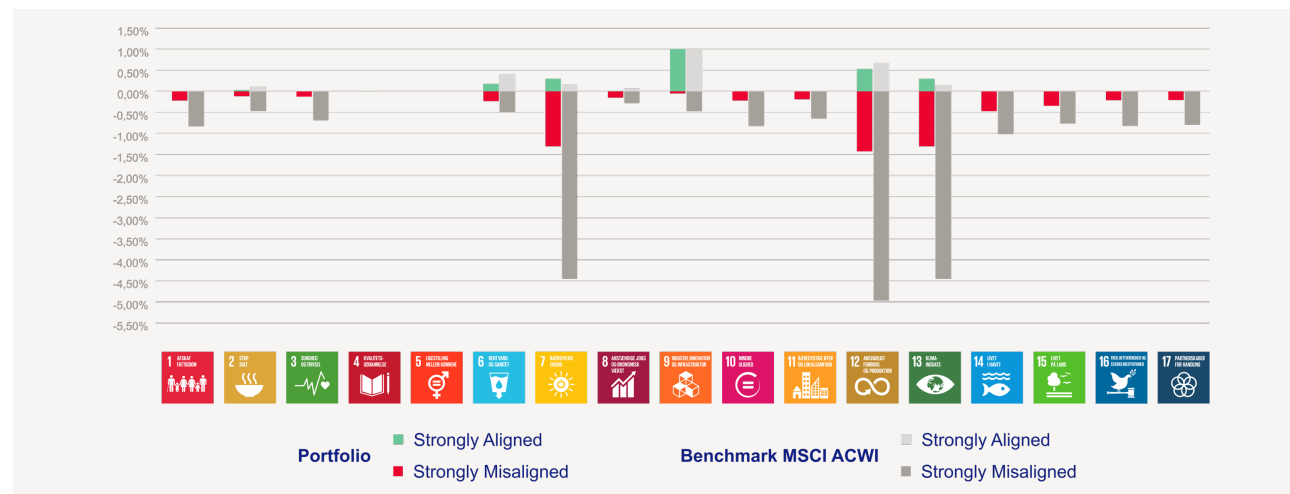
Together with managers of private equity and infrastructure funds we seek to obtain good quality emission data. Under the auspices of Finance Denmark and IIGCC, we are also developing a method for determination of emissions from government bonds.

Read more about the carbon footprints of the individual funds at www.nykreditinvest.dk.

Nykredit invests to meet the UN Sustainable Development Goals

Nykredit's investments should contribute to reaching the UN SDGs by 2030 and we therefore regularly analyse the positive and negative impacts on the SDGs of our investee companies. Together with the sustainability analyses we have integrated in our investment processes, this will help us steer investments towards companies that address societal challenges.

Alignment between Nykredit's investments and the UN Sustainable Development Goals



Investments aligning with and investments not aligning with the UN SDGs are shown in left-hand chart. The aim is of course to increase the positive impact and reduce the negative impact so as to create value and be of use. And as can be seen from the chart, this ambition is progressing positively.

The determination of the positive impact ("aligned" and "strongly aligned") and the negative impact ("misaligned" and "strongly misaligned") of Nykredit's equity investments on the UN Sustainable Development Goals.
 Source: Nykredit and MSCI ESG Research

Nykredit’s implementation of new EU regulation on sustainable investment

The EU’s Disclosure Regulation is one of the cornerstones of the EU’s Sustainable Finance Action Plan, which came into force on 10 March. The Disclosure Regulation requires investment fund managers and distributors of investment solutions to disclose various information on policies, processes and products.

In accordance with the Disclosure Regulation, we have updated our Sustainable Investment Policy and pre-contractual documents, such as prospectuses and websites. Nykredit has also categorised our investment solutions to allow customers across investment fund managers to identify which funds integrate sustainability into their management and which funds have also set specific sustainability targets for the fund. The remaining investments are held in funds covered by Nykredit’s Sustainable Investment Policy.

EU’s Taxonomy Regulation entered into force at the beginning of 2022. The Taxonomy Regulation defines activities that qualify as sustainable. When the new Regulation entered into force, we updated the prospectuses of our funds to include the targets for exposure to activities eligible under the Taxonomy. The largest asset classes that Nykredit invests in are listed equities, corporate bonds, government bonds and mortgage bonds. A smaller part of our investments comprise unlisted assets such as infrastructure and private equity.

Around half of the net asset value managed by Nykredit is invested in mortgage bonds. Danish mortgage finance and other funding to finance energy efficiency improvements in properties have a huge potential for supporting the green transition, provided of course that issuers measure financed emissions from a given issuance and that the measurements are in alignment

with the criteria of the Taxonomy. Wherever possible, we have included such data in our reporting to customers.

Data on the taxonomy eligibility of unlisted assets and government bonds remain limited. 37% of the global equity market (ACWI IMI), 36% of investment grade corporate bonds (ICE BOFA Broad Market Corporate Index), and 38% of high-yield bonds (ICE BOFA Global HY) are taxonomy-eligible. According to our own estimates, the proportion of mortgage bonds amounts to 16%. The targets for the taxonomy-alignment of the individual funds appear from their prospectuses and annual reports.

Nykredit’s investment funds by sustainability level

	Article 6	Article 8	Article 9
Definition	Products integrating sustainability risks and any negative impacts, but which are not eligible under Article 8 or 9. Nykredit funds in this category must comply with Nykredit’s policy and Finance Denmark’s sector recommendation.	Products that promote environmental or social characteristics and integrate sustainability aspects in the investment process, but which do not have a sustainability objective.	Products that meet the requirements of Article 8, but which are also subject to a sustainability objective. All investments must be sustainable, and underlying investments may never harm environmental or social objectives. At the same time, companies must comply with recommended corporate governance practices.
Share of Nykredit’s funds in the category	14.4%	82.4%	3.2%
Share of European funds in the category	76%	22%	2%

Nykredit’s investment funds, by sustainability level in accordance with the EU’s Disclosure Regulation. European data from EFAMA, Market Insights no. 7, November 2021.

Sustainability assessments in the investment process

Every time Nykredit assesses a potential investment, we apply sustainability assessments to understand the risks and opportunities related to climate, environmental, social and governance issues (ESG). Companies that do not duly address ESG issues are often a poorer investment. The most important output from the sustainability analysis is an indication of whether a company is developing in a more sustainable direction. Thus, a company with a very high sustainability performance and a company with a lower sustainability performance, but which is on a positive development track, may both be good investments.

Nykredit has applied sustainability analyses in its investment processes since 2012, and we are improving our 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.

Today, ESG factors are part of all phases of the investment process – from idea generation and assessment of market structures to assessment of a company's potential and our active stewardship. At end-2021 the sustainability performance of 88 of our funds was above benchmark.

More funds carrying the Nordic Swan Ecolabel for different investment profiles

In 2021 Nykredit expanded the range of funds carrying the Nordic Swan Ecolabel to offer our customers better opportunities for choosing investment solutions that carry the label. 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 2021 Nykredit launched three

new balanced funds, which are the first Danish managed balanced funds to carry the Nordic Swan Ecolabel. A string of other funds received the label on the same occasion. With 16 funds, Nykredit can now offer our customers the broadest selection of solutions carrying the Nordic Swan Ecolabel in the Nordic region. For the fifth year running, Nykredit's Nordic Swan Ecolabelled fund Bæredygtige Aktier has generated higher returns after costs than the world index.

Active stewardship to further sustainable development

Nykredit practises active stewardship by way of regular engagement with and voting at general meetings of companies in which we make active investments. The purpose is to safeguard our customers' investments and influence companies' sustainable development. In 2021 Nykredit participated in more than 1,321 general meetings, and SparInvest participated in 964 general meetings. At the meetings we take an active stand and represent our investors' interests. Normally, company boards act in the best interests of Nykredit's funds' investors, but in 8.2% of the cases we opted to vote against the recommendations of the boards. In half of the cases, the reason for this was a candidate for the board not meeting our standards. One in four negative votes was cast because management's salary or bonus package did not match the market or was insufficiently defined. In 2021 we had special focus on the companies' efforts in the climate area and on board diversity.

More information on Nykredit's active stewardship is available in the annual reports of the individual investment funds www.nykreditinvest.dk.



The Nordic Swan Ecolabel and its implications

Investment funds that carry the Nordic Swan Ecolabel must satisfy 25 mandatory requirements governing the different ways in which a fund may influence companies. This involves 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 scores in a sustainability analysis. And 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

Due care for human rights and international law

Nykredit requires that the companies we invest in comply with international law and respect human rights at all times. On a quarterly basis, we screen more than 10,000 different securities of international law by the issuer. And if a company is in breach of international law, we will attempt, through dialogue and together with other investors, to make them remedy the breach. At the end of 2021, Nykredit had engagements with 26 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.

Today, 168 companies are on Nykredit's exclusion list. They fall into four 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
4. Companies under EU sanctions.

New companies on the exclusion list include manufactures of tobacco, which are deemed to be in conflict with the UN's objective of reducing smoking and smoking-related deaths as much as possible.

Nykredit's exclusion list is available at www.nykredit.com/en-gb/samfundsansvar/Responsible-Investment/ekskluderede-selskaber/.

Engagement with 3M and Volkswagen

Chemicals used in fire-resistant foam, also known as PFAS and PFOS chemicals, have made it to the headlines, and rightfully so, because of the pollution they have caused, especially at existing and former training sites. 3M, a company mostly known for manufacturing the yellow post-it notes, invented PFAS and is a large-scale manufacturer of PFOS. The company is in focus in Denmark and abroad, including in Belgium and the US, where claims for compensation has been raised against the company. 3M stopped manufacturing PFAS in 2000, but as cases revealed in 2021, it is important to determine where the products have been used and may potentially have caused pollution. 3M has taken some positive measures in the case, but we expect the company to assume more responsibility, particularly since, as manufacturer and seller of the product, it has had unique insights into where it may have caused harm. Against this backdrop, Nykredit entered into engagement with 3M in 2021.

In 2021 Nykredit ended its long-standing engagement with Volkswagen, Nykredit entered into engagement with Volkswagen in 2016 when it became evident that Volkswagen had manipulated with the software in a number of diesel cars, making them appear more environmentally friendly in test environments than they actually were. At that point, Nykredit decided to engage with the company to make them stop the fraud, change procedures to avoid any repetition and take a clear stand on the green transition of the car industry. Authorities in the US and in Europe have at the same time put similar pressure on Volkswagen, and penalties have been imposed on Volkswagen by the courts. Today, things are done differently at Volkswagen. The fraud has been uncovered and stopped. New procedures have been introduced, and the company has launched a historic investment plan to shift from diesel and petrol cars to electric cars. Against this background, we have discontinued our engagement, but will of course follow developments closely.

Read more about the individual funds at nykreditinvest.dk and sparinvest.dk. Nykredit Portfolio Management also reports on efforts in connection with our administration solutions in its annual report.

Sustainable investments in numbers

DKK billion	2018	2019	2020	2021
Nykredit's total investments, covered by the Sustainable Investment Policy	301	440	451	541
Number of companies screened quarterly	2,283	4,091	5,285	4,684
Companies with which Nykredit engages because of breach of standards	22	21	25	27
Companies screened out	51	58	65	168
Participation in general meetings				
– Number of general meetings	772	839	1,724*	2,285*
– Nykredit participation in AGMs	37%	49%	33%	36%
– Votes cast against boards of directors, %	8.1%	7.8%	8.0%	8.2% /15.8%
Funds with a below-benchmark carbon footprint	78%	78%	80%	65%

* Nykredit's and Sparinvest's funds cast their votes via two different proxy voting platforms in 2020 and 2021. Nykredit's funds participated in 1,321 annual general meetings, and Sparinvest's funds participated in 964 annual general meetings in 2021. Nykredit's funds and Sparinvest's funds voted against the board of directors in 8.2% and 5.8% of the cases, respectively.

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 active owners, investors can support sustainable development globally.



Nykredit's response

Nykredit's investments should contribute to reaching the UN SDGs by 2030, and they must be in alignment with the transition necessary to meet the objective of the Paris Climate Agreement. 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 applying ESG criteria to all portfolios that contribute to risk assessment and analysis of companies in terms of environmental, social and governance factors. At Nykredit, we engage in active stewardship and therefore are in regular contact with our investee companies so as to actively influence the companies to contribute to the green transition.



Governance

Nykredit's Sustainable Investment Forum makes decisions on the implementation and development of the Sustainable Investment Policy. Responsibility for efforts relating to responsible investment rests with the Head of Wealth Management. The Executive Boards of Wealth Management, Sparinvest, Nykredit Bank and Nykredit Porteføljeadministration 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

- Implemented new EU regulation intended to promote sustainable investment. In this connection, 82.4% of the Group's investment funds were categorised as funds that integrate sustainability into the investment process (Article 8), and 3.2% of the funds have a sustainability target (Article 9).
- Launched seven new funds that carry the Nordic Swan Ecolabel. As the first Danish investment fund manager, we have launched passive equity funds – and then three balanced funds – that carry the Nordic Swan Ecolabel. On the same occasion six existing funds received the label. This means that Nykredit now offers its customers 16 funds that carry the Nordic Swan Ecolabel.

- Joined the Net Zero Asset Manager Initiative, thereby committing Nykredit to being climate-neutral by 2050. Later in the year, Nykredit announced its target of reducing its climate footprint from investments by 60% from 2020 to 2030. By 2030 all Nykredit investments should be fully – or on the path to becoming – in alignment with the Paris Climate Agreement. If not, Nykredit is obliged to engage with or sell the company.



Risks of negative impact on society

Nykredit and Nykredit's customers have invested in around 5,000 companies across the world. As a consequence, we are exposed to many different risks. These include financial risks, a risk of direct involvement in breach of international standards 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 Principle Adverse Impact under EU regulation, which we handle through engagement with the relevant company with a view to making it change its conduct and, ultimately, exclusion.

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 having an adverse impact on Nykredit's business. Solid data are a prerequisite for managing these risks.



Ambitions for 2022

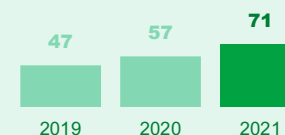
- Nykredit will launch an investment fund dedicated to green bonds, enabling investors to make direct investments in the green transition.
- Nykredit's ambition is to vote at all annual general meetings of our equity positions.
- Nykredit will introduce frequent sustainability reporting on our funds in 2022.

UN Sustainable Development Goals

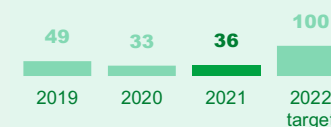
We invest in just under 5,000 companies across countries and sectors and therefore have an impact on all UN SDGs. We measure the positive and negative impact of the companies we invest in on behalf of our customers, across all 17 UN SDGs. Nykredit's goal is to improve our investments' net alignment with the SDGs

Key figures and targets

Funds with above-benchmark ESG ratings (%)



Participation in general meetings (%)



Carbon footprint, investments

523

Investments covered (DKK billion)

2,968

CO₂e emissions financed (kilotonnes)

5.7

Emission intensity (tonnes of CO₂e/DKK million)

3

Responsible business conduct

“We must show the world every day that we make responsible decisions that take into account the long-term impact on our customers and society.

I am strongly committed to ensuring that we have an organisation that is well positioned in all areas to offer our customers responsible advice, to navigate fast and correctly under existing legislation and to contribute to the task of combating financial crime.”

Anders Jensen, Group Managing Director

A greener Nykredit

With more than 3,900 staff members and nearly 50 locations, the Nykredit Group has a substantial climate and environmental impact. We are making a targeted effort to reduce our impact in this area. Our efforts towards a greener Nykredit are also an important element of our collaboration with customers to create a greener Denmark.

Transition to climate-friendly energy sources

Since 2021 the Nykredit Group has made a targeted effort to reduce carbon emissions from our operations. In 2020 we surpassed our ambitious target of a 65% reduction, and the total reduction since 2012 has reached 84%. We are now aiming at a new target of a 5% annual reduction in carbon emissions per FTE, and in 2021 we succeeded in reducing them by 21%.

This was achieved mainly thanks to a number of active choices towards more climate-friendly operation of the Group's buildings. We have installed four new solar cell systems at our locations with an annual production of green electricity of approximately 200 MWh, corresponding to the annual electricity consumption of 45 households. We have also replaced three natural gas boilers with heat pumps so that, in future, the heating of those locations will be provided without the use of fossil fuels. These initiatives combined will reduce the Group's carbon emissions by some 150 tonnes annually. Over the next two or three years, two of the remaining three natural gas boilers at Nykredit's locations will be replaced by district heating. This means that only one Nykredit location will be heated by natural gas in future. In 2022

we will work with the landlord to try and find a fossil-free alternative for this location.

The corona crisis has reduced travel by taxi, plane and car, while the consumption of electricity and heating has remained largely unchanged. Heating consumption increased slightly as fewer people in the buildings meant that there was a need for more heating, whereas our consumption of electricity was unchanged due to increased ventilation during the lockdowns.

Nykredit's targets



5% annual reduction of carbon emissions per FTE until
2025

25% reduction of total
MWh consumption by
2025

80% waste recycled by
2023

A maximum of 10 kg waste per FTE by
2023

Our contribution to the green transition

Nykredit, Spar Nord, Lollands Bank, Merkur Andelskasse, Falster Andelskasse, Sparekassen Nørre Nebel and JN Data, provider of IT infrastructure to the financial sector, have made a joint agreement to buy green electricity from a brand new solar park located at Ådum in West Jutland.

“At Nykredit, we are very pleased that we can now team up with a number of financial partners to receive green electricity from Better Energy. It shows that we can accomplish more together. With the new green power purchase agreement we ensure that the electricity we use to operate all our locations comes from a newly established green source,” says Martin Von Horsten,

PPA secures new solar park in West Jutland

Every year, we convert Nykredit's consumption of electricity and natural gas into renewable energy sources based on Renewable Energy Certificates (RECs). However, the current RECs for electricity are based on existing green electricity already available in the power grid. The certificates may help boost demand for electricity from renewable energy sources, but do not

necessarily ensure an expansion of renewable energy capacity. That will now change. Nykredit, JN Data and five Totalkredit partner banks have signed a Power Purchase Agreement (PPA) to take green electricity from a newly established solar panel park, effective from January 2023 and for ten years ahead. Thanks to this new partnership, the electricity consumption of the parties to the PPA will be covered partly by additional green electricity.

Setting up charging stations

Nykredit is working to promote the use of more climate-friendly cars, both through low-cost green car loans to our customers and by setting up charging stations at our own locations. In 2021 we set up charging stations at 8 new locations. Some of them are earmarked for our staff so that they can charge their electric or plug-in hybrid

cars while at work. Others are freely available to all electric car users.

Remote working and focus on paper use have reduced waste volumes

Nykredit's total waste volume must be reduced so that we reach a waste level in 2023 of 100 kg per staff member. In 2021 we focused on the paper use at our customer centres, and all centre managers received a monthly report showing the printing statistics of their staff. This dialogue has resulted in a reduction in paper use by 56 print copies per FTE. In addition, we systematically went through all incoming mail to identify "spam" in the form of dispensable advertising flyers, magazines, newspapers etc. Like in 2020, the many days of remote working was clearly reflected in the Group's waste volumes, which dropped to a level of 100 kg per FTE.

Nykredit also remained focused on the disposal and recycling of the waste we generate, both through the agreements we make with our suppliers and by working to prevent obsolete furniture and equipment from being scrapped. For example, we made the decision in 2021 to donate safe deposit boxes we no longer needed for use in South Africa and the USA. Nonetheless, we still have a long way to go before we reach our target of 80% recycling of our waste in 2025. At end-2021, 54% waste was recycled.

Eco-challenges influence suppliers for the benefit of the climate and the environment

Nykredit requires our suppliers to focus on more responsible and sustainable practices. In our eco-challenges, we collaborate with selected suppliers to find more climate- and eco-friendly solutions. In 2021 we completed nine eco-challenges, involving for instance the phasing-out of plastic products and disposable tableware in our inhouse webshop and the introduction of reusable flower arrangements.

Compensation through carbon credits

Nykredit's operations can never become 100% carbon neutral through the Group's own initiatives alone. For example, we cannot control how the district heating that we use is generated, nor can we completely eliminate our carbon footprint from transport. In light of this, we compensate for Nykredit's remaining unavoidable carbon emissions from heating and transport through third-party verified Gold Standard carbon credits from a wind farm in India.

Responsible supply chain management

Nykredit uses mainly Danish, local suppliers, and the risk of corruption, human rights violations, poor labour practices etc is therefore low compared with a production company with a global value chain. But the risks are there nonetheless. We take these risks into consideration when entering into new supplier agreements. Nykredit's Supplier Code of Conduct requires our suppliers to live up to the social, ethical and environmental standards laid down in ISO 26000 and the UN Global Compact in respect of human rights, the environment, labour rights and ethics. We therefore reserve the right to check that our suppliers comply with our Code of Conduct – and if not, we are entitled to terminate the agreement.

Afforestation throughout Denmark

In the course of 2021, Nyskovfonden made commitments for financial support to 42 specific afforestation projects totalling an area of some 173 hectares. The new forests will bind an estimated 1,725 tonnes of CO₂e annually*.

The first 10,000 trees were put into the ground in April 2021. A total area of 2.5 hectares just outside Løgumkloster will be planted with a mixture of broadleaf trees and conifers.

“Afforestation is good for the climate as the trees bind a lot of carbon dioxide as they grow. I prepare climate accounts for my land, and afforestation makes a positive contribution in the accounts.”

John Jeppesen, farmer, Juelsminde, has planted 0.75 hectares of forest supported by Nyskovfonden.

* 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.

About Nyskovfonden

Nykredit, Forenet Kredit and Østifterne launched Nyskovfonden in 2020 – a foundation with the objective of planting more forest in Denmark and thereby binding carbon dioxide from the atmosphere. Trees absorb CO₂, and when we plant more trees, we contribute to reducing the carbon footprint of our communities.

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

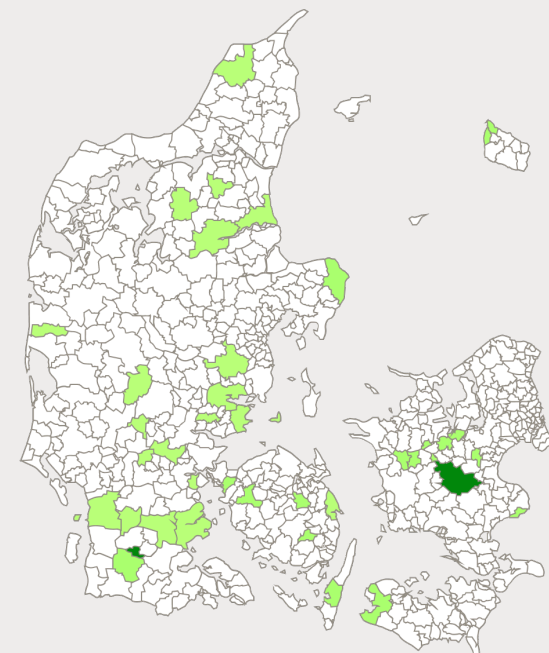
The foundation’s objective is to plant 5,000 hectares of new forest. The funding will cover both planting and care of the trees for three years. All forests are beneficial to the climate. It is a requirement that the forest areas are registered as forest reserve for at least 100 years.

More forest areas in Denmark also offer other advantages such as recreational value, protection of water reservoirs and production of building materials for long-term storage of CO₂.

Read more at www.nyskovfonden.dk.

NYSKOVFONDEN

Afforestation projects supported by the new forest foundation (Nyskovfonden)



A greener Nykredit



Societal challenges

All businesses impact the climate and the environment through their production. At Nykredit, the operation of our locations and transport are the main sources of our carbon 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 to bring our negative climate and environmental impact to a minimum. We have set ambitious targets to drive our efforts in the coming years.

We have implemented the ISO 14001 environmental management system to structure and systemise our efforts to realise our ambitions for a greener Nykredit.

We are in the process of shifting our energy consumption to renewable energy sources. We compensate for our carbon emissions in the cases where we cannot switch to renewable energy sources. We organise important initiatives, motivating climate-, energy- and eco-sensible conduct by Nykredit's staff, also outside working hours.

We promote awareness of new energy-, climate- and eco-friendly knowledge and technology.



Governance

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

Policies

- Climate, energy and environmental policy



Activities and achievements

- Reduced the Nykredit Group's total carbon emissions by 21% per FTE.
- Installed four solar cell systems.
- Completed energy renovation of two buildings.
- Phased out three natural gas boilers and replaced them with heat pumps.
- Increased recycling of waste fragments.
- Donated 30 safety deposit boxes for "new use" abroad.
- Set up 28 charging stations for electric cars.



Risks of negative impact on society

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

Nykredit's risk

Increasing energy prices pose a financial risk if we fail to optimise our consumption of resources. Lacking green transition in our locations involves reputational risk.

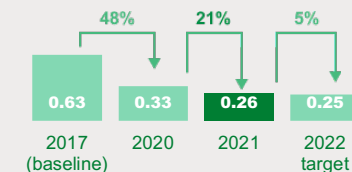


Ambitions for 2022

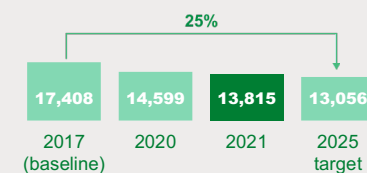
- Continue working towards our objectives, especially the waste targets.
- Operate all our locations without direct use of fossil fuels.
- Further 10% reduction of paper consumption.

Key figures and targets

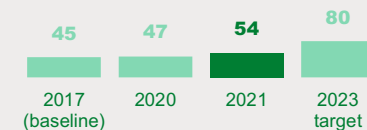
CO₂e emissions per FTE (kg CO₂e)



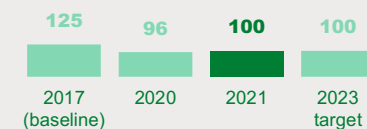
Total MWh consumption



Percentage of recycled waste (%)



Waste per FTE (kg)



Responsible procurement



Societal challenges

Businesses may have a negative impact on the climate and the environment indirectly when sourcing goods or services. Using suppliers and subsuppliers also involves a risk of human rights violations and corruption.



Nykredit's response

We are moving towards more climate-friendly and sustainable procurement.

Nykredit's Supplier Code of Conduct requires our suppliers to live up to the social, ethical and environmental standards laid down in ISO 26000 and the UN Global Compact in respect of human rights, the environment, labour rights and ethics. We consider environmental, energy and climate aspects in our procurement of goods and services.

Nykredit is member of the Ecolabelling Denmark network for green procurement whereby we commit to increasing the share of sustainable products in our procurement.

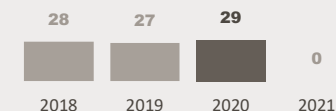
As part of our approach to responsible supply chain management, Nykredit completes several eco-challenges every year. One challenge may, for instance, involve collaborating with our suppliers to find more sustainable alternatives to existing procurement arrangements, or new thinking in relation to our daily consumption.

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



Key figures and targets

Nordic Swan Ecolabelled products* (%)



*The share of purchases carrying the Nordic Swan Ecolabel is calculated based on selected categories and does not cover total purchases. Data for 2021 are compiled by Ecolabelling Denmark later in 2022.



Governance

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

Policies

- Procurement policy
- Supplier Code of Conduct



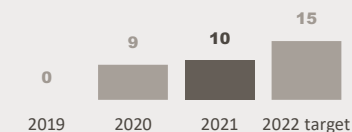
Activities and achievements

Nykredit completed 10 eco-challenges. Their results include:

- Phased-out plastic products and disposable tableware in the Group's inhouse webshop.
- Reduced the number of printers by 25 at all locations and purchase of newer, more energy-efficient printers.
- Phased out flowers for new staff members – these have been replaced by more useful, eco-friendly gifts and trees in the new forest foundation (Nyskovfonden).
- Shifted to reusable flower arrangements at the reception desks at large Group locations
- Re-used furniture following renovation of customer centres.

- Concluded of a Power Purchase Agreement (PPA) together with JN Data and five Totalkredit partner banks for the coming ten years. From 2023, the parties will exclusively be powered by solar energy from the park at Ådum. The PPA ensures additionality and implies an expansion by 51 GWH/year.

Number of completed eco-challenges



Risks of negative impact on society

Nykredit may have a negative impact on the climate and the environment through the operation of our locations and sourcing of goods or 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 may rub off on Nykredit's reputation.



Ambitions for 2022

- Complete another 15 eco-challenges.
- Establish and implement a framework for CSR controls of the Group's suppliers – including the introduction of on-site inspections of suppliers and subsuppliers.

Responsible business conduct

As a financial provider, Nykredit makes decisions every day that have a long-term impact on our customers and society. For example when advising a young couple about loan types for buying their first home or when Denmark's largest corporations need funding to increase exports.

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 well prepared in all areas to act responsibly and correctly, complying with not only the letter, but also the spirit of the law. It requires 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, to ensure that we, as a business, can explain and defend our conduct.

This is what conduct management is about. This section describes our conduct management initiatives as well as other factors contributing to responsible business conduct.

Conduct management

In 2020 we stepped up our conduct management efforts, launching a two-pronged initiative:

1) Risk management initiatives where we identify, assess and act on the Group's conduct risk as part of the ongoing risk management practices.

2) A broad initiative for all staff members to increase awareness of responsible business conduct and train managers and staff in identifying, discussing and responding to irresponsible business conduct.

Common to both initiatives is that they support a safe and open culture where both managers and staff talk about and adjust behaviours and practices to ensure responsible business conduct in all areas of our organisation.

Conduct risk – part of our risk reporting

As of Q3/2020, the Group's conduct risk is a fixed part of our established risk management practices. Risk meetings are held regularly with the managers of the individual business units, at which conduct risks are identified, discussed and reduced, for instance by a change of practices or conduct. Although the regular reporting of conduct risks is a relatively new discipline, the level of proficiency is deemed to have increased significantly in 2021.

In 2021, 127 conduct risks were identified through a number of meetings and conversations with the managers of the individual business units and selected staff members. The 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.

Main conduct risks

In identifying conduct risks, we have observed four themes stretching across the remits of the Group. The four Group-wide themes are:

1. Tax matters

Conduct risk exists where Nykredit's practices are within the letter of the law, but where there is a risk that they will be perceived as being at odds with the spirit of the law. Examples of conduct risks are customers' tax optimisation and exploitation of loopholes in tax law as well as Nykredit's advice on tax matters. Nykredit deals with tax matters within the framework of the Group's tax policy.

2. Undeclared work

Suspected undeclared work is managed as part of Nykredit's anti-money laundering (AML) activities, ensuring a strong focus on reporting to the relevant authorities in case of suspected undeclared work among our customers. Undeclared work as a conduct risk relates to the fact that public opinion is currently grappling with various ethical and moral aspects, and it is therefore likely that the Danes' use of undeclared work will be confronted more openly over time. It is therefore important to retain and, if necessary, intensify the focus on regulatory reporting so that the financial sector adapts to a new discourse in this area.

3. Sustainable financing

Conduct risks related to sustainable financing fall within two themes. First, there is a risk of greenwashing if Nykredit develops and sells products that are not perceived as environmentally sound. Second, providing

credit to industries or customers who are not prepared to move in a more sustainable direction involves a conduct risk. Nykredit has a strong focus on ensuring that products marked as green or sustainable finance projects and initiatives that can be considered green according to the EU taxonomy, public subsidy schemes etc. Also, Nykredit has introduced a special green step in its product approval process, which sets out additional requirements in terms of documentation, control, etc.

4. Transparency about product characteristics and pricing

Financial products are complex by nature, and Nykredit

has immense focus on providing information on the qualities and pricing of a given product. Nonetheless, a number of conduct risks indicate that some areas remain where we can strengthen our advisory and information activities. Customers' expectations of a given product should match what they actually get.

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

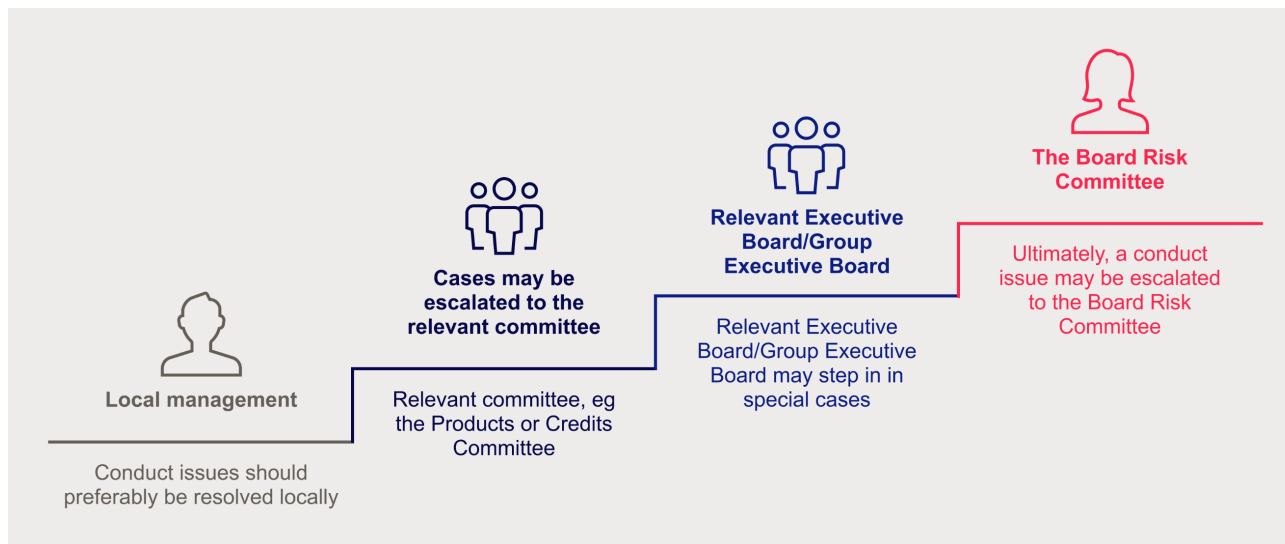
Training in responsible business conduct

In tandem with the work of identifying and assessing conduct risks, several initiatives have been launched to support a culture where Nykredit's staff have room to identify, discuss and act on situations perceived as irresponsible. This is not a process with a defined beginning or end, but rather an ongoing process to promote a culture where it is natural and safe for our staff to speak up if they experience something that seems irresponsible to some degree.

The main initiatives launched in connection with the training are:

- In 2020 a conduct game was developed where the players in a fictitious online banking universe must make a number of business ethical choices in situations with personal customers, corporate customers, investment and management.
- Training of all managers across the Group in responsible business practices.
- Furthermore, conduct management is included as a topic in management and talent programmes and in the introductory programme for new staff.
- Updating of Nykredit's corporate culture policy and Code of Conduct to ensure that all Nykredit staff have an up-to-date and clear framework within which to act responsibly in their day-to-day work.
- Introduction of quarterly measurement of conduct as part of our conduct management procedures.

How Nykredit handles a conduct issue:



Nykredit's escalation structure that clarifies and visualises 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 this is not possible, conduct issues are escalated for resolution by the relevant committees, etc.

Our corporate culture policy sets the framework for conduct at Nykredit

Nykredit's corporate culture policy lays down the overall framework for promoting a sound corporate culture as well as the ethical and professional standards by which the Group wants to be known.

The policy is supplemented with other policies and guidelines, all serving to clearly define responsible conduct, including Nykredit's Code of Conduct.

Corporate Culture Policy

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

1. All staff must exhibit honesty and integrity in their conduct and work.
2. Nykredit prevents money laundering, terrorist financing and other economic crime.
3. Nykredit counters corruption.
4. Nykredit counters market abuse and insider dealing.
5. Nykredit protects data and personal data.
6. Nykredit maintains open and respectful communication.
7. Nykredit cooperates with authorities.

In 2021 an evaluation was made for the Board of Directors of the level of compliance with the policy during the past year. Nykredit's performance against the seven principles was generally satisfactory. In the policy areas data governance and personal data, the level was less satisfactory in terms of meeting the objectives of the specific policies, 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.

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 staff members 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 our staff can, and are encouraged to, mention irregularities to their line manager or Nykredit's management. Any such reports will first be submitted to an external attorney, who will review the report and forward it to the Head of Compliance, the Head of Internal Audit and the Chairman of the Board Risk Committee. The number of reports filed under Nykredit's whistleblower scheme has remained stable and low.

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.

Product assessment based on sustainability

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 and sustainable 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' risk. Accordingly, all products must be developed with a long-term perspective and are therefore assessed in terms of financial, social and environmental/climate sustainability and evaluated annually by Nykredit's Products Committee. All new products are furthermore assessed in terms of conduct risk.

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 may find reasonable. The policy is implemented through business procedures, specifying response times, escalation levels etc for complaints. In 2021, 240 customers filed a complaint.

Responsible lending and advisory services

Loans provided by Nykredit are based on a customer's creditworthiness. We examine 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 we do this so as not to grant loans that carry too much risk, as any losses we may suffer will be passed on to the business at large, which means our customers. To best 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, the Ten Principles of the UN Global Compact form an integral part of our credit policy.

Nykredit's advisers are trained and diligent in advising customers about the risks associated with the different 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 good 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.

Responsible business conduct



Societal challenges

Financial service providers have a responsibility for ensuring that advice, products and services are responsible in a societal context and relative to the finances of the individual customer. This is a task that has been highlighted in recent years by a number of business reputation cases in the sector.



Nykredit's response

All parts of Nykredit's business must be responsible, orderly and sustainable. We are committed to strong risk management practices and a healthy and open corporate culture where we can openly discuss and act on the risks and dilemmas that may arise when operating a financial business. Risk management activities include the task of regularly addressing whether any conduct, propositions, products, advisory services and the like exist in the organisation that we are unable to explain or defend.



Governance

The Group Managing Director of the CRO division is in charge of Nykredit's conduct management activities. The responsibility for the day-to-day management of operational 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.

Policies

- Operational risk policy
- Credit policy
- Nykredit Group products policy
- Code of Conduct
- Tax policy
- Complaints handling policy
- Anti-corruption policy
- Corporate culture policy



Activities and achievements

- In Q1/2021 all staff members played Nykredit's conduct e-learning game followed by discussions of conduct issues in their specific fields of work.
- All managers were trained in responsible business practices and other topics at Nykredit's management academy in Q4/2021.
- Conduct risks have been further integrated and described in the operational risk policy.
- Adopted a governance structure for conduct risk and conduct management in Nykredit, including an escalation structure for conduct issues.
- Annual reporting to Nykredit's Board of Directors on compliance with the corporate culture policy.



Risks of negative impact on society

Nykredit's advisory services, lending and products have significance on 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 has a negative 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, entail the risk that processes and products do not comply with the most recent 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.

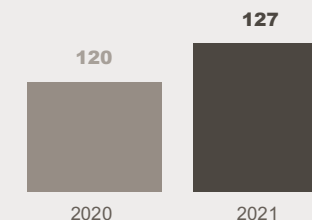


Ambitions for 2022

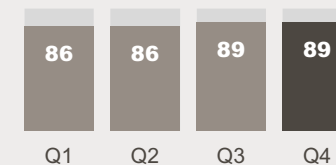
- Ensure that the conduct risk outlook is updated and forward-looking in terms of trends that can affect the business.
- Maintain and continually strengthen staff awareness of conduct management.

Key figures and targets

Antal conduct risici



Conduct: Safe and open culture in Nykredit (index 100)



Initiatives to combat financial crime

Money laundering, terrorist financing, tax evasion and other types of financial crime are extremely harmful at both the national and international level. We will not accept any misuse of the Nykredit Group for financial crime purposes, and we consider it a central element of our responsibility to prevent and counter any such misuse.

Stronger organisation and better systems

We are continuously improving our set-up for preventing financial crime so that the measures we take reflect the risk involved in our business activities. Accordingly, we also stepped up our efforts to combat financial crime in several areas in 2021:

- We strengthened our organisation to embed knowledge and simplify processes.
- We allocated more staff dedicated to the task of combating financial crime.
- We improved the systems that monitor transactions so that suspicious transactions are detected and addressed.

In addition, we stay focused on how to improve our customer due diligence procedures so that we comply with current legislation while also ensuring that our customers are treated properly. All Nykredit customers will be affected by our customer due diligence procedures, and it is essential to the customer experience that the procedures, as far as possible, are perceived as relevant, easy and simple.

Sustained effort

Nykredit spends substantial resources ensuring a targeted effort against financial crime through awareness and training of staff.

We had particular focus on raising awareness among frontline staff to ensure they have the skills required to effectively combat threats of financial crime. Even though many processes and tasks are centralised, it is nonetheless the individual advisers who interact with customers and represent the first line of defence in terms of detecting any suspicious behaviour. Our focus has mainly been on on-site learning at the customer centres and awareness through regular focus weeks.

In 2021, 95% of Nykredit's staff completed and passed e-learning programmes and tests in how to combat money laundering and financial crime. Numbers are lower than 100% because of leave, illness, change of jobs etc. Relevant groups of staff complete role-based training and tests.

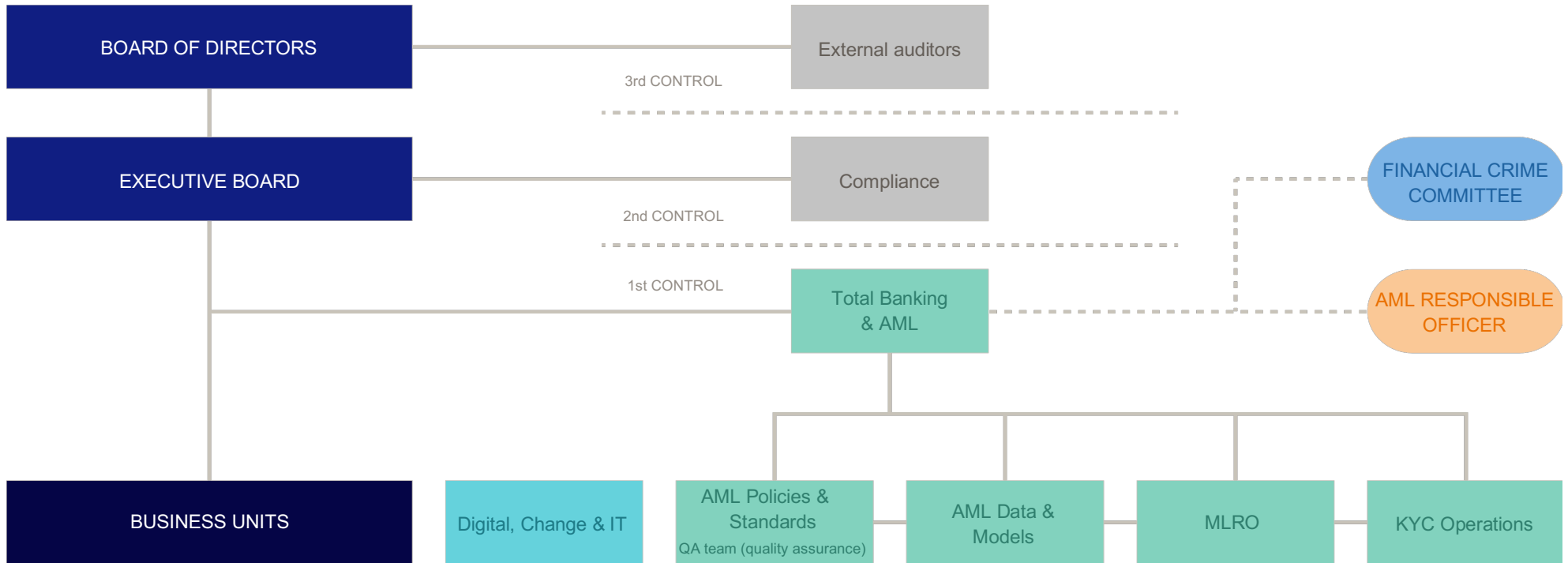
The Danish FSA did not issue any orders against Nykredit in 2021. However, eight orders were issued against us by the Danish FSA in 2020, relating to our customer due diligence procedures and transaction monitoring. We are making a targeted effort towards complying with these orders.

We part ways with customers

We ensure that our customers keep within our defined risk appetite and customer acceptance policy, and in the course of 2021, we have reviewed our customer portfolio with a view to risk mitigation, so that it reflects our business model and risk appetite. Consequently, we have terminated our relationship with a number of customers declining to participate in our customer due diligence procedures or falling outside the Group's defined risk appetite.



Anti-money laundering efforts



Nykredit's anti-money laundering (AML) efforts are structured around three lines of defence.

Initiatives to combat financial crime



Societal challenges

Money laundering, terrorist financing, tax evasion and other types of financial crime are extremely harmful at both the national and international levels.



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 prevent and counter any misuse of the Nykredit Group for financial crime purposes.

Nykredit's objective is to contribute to preventing and to report potential misuse of the financial system by criminals. We are continually improving our set-up for preventing financial crime so that the measures we take reflect the risk involved in our business activities.

All Nykredit customers will be affected by our customer due diligence procedures, and it is therefore essential to the customer experience that the procedures, as far as possible, are perceived as relevant, easy and simple.



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

- Improved set-up for updating of customer due diligence procedures.
- Increased the number of staff involved in initiatives to combat financial crime.

- 95% of Nykredit's staff have completed and passed anti-money laundering, anti-terror and anti-corruption e-learning programmes and tests.
- Improved transaction monitoring systems and processes.



Risks of negative impact on society

Nykredit may be misused for money laundering, terrorist financing, tax evasion and other financial crimes that would have major negative consequences for society, Nykredit and Nykredit's customers.

Nykredit's risk

There is a risk that our customers and stakeholders lose confidence in Nykredit and reject us if we fail to live up to our responsibility and obligations in the effort to combat financial crime. Errors and defects on our part may cause the Danish FSA to issue orders, and ultimately fines.

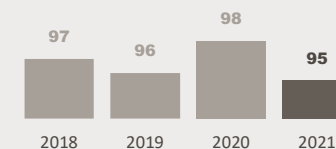


Ambitions for 2022

- Strengthen governance set-up.
- Improve customer onboarding and updating.
- Further upskilling of staff to prevent financial crime.

Key figures and targets

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



The number of staff involved in initiatives to combat financial crime

302

Personal data, IT security and data ethics

Customers' confidence in how companies treat and 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 millions of Danes every year. We are therefore constantly seeking to create a strong and coherent data protection framework throughout the Group. We will become even better at protecting personal data, for instance through even greater focus on controlling how our staff treat personal data. And we will maintain a high IT security level through ongoing monitoring, testing and evaluation.

Data Ethics Policy

New opportunities for innovation created by technological developments imply stricter requirements for businesses' use of data. In 2021 Nykredit adopted a data ethics policy, which describes the Group's approach to and principles for ethically responsible data processing.

Nykredit's data ethics policy provides Group staff with a clear framework for ethically responsible use of data and how to earn the trust of our customers, staff, business partners and other stakeholders.

Strong focus on IT security

At Nykredit, IT security is a continuous process in multiple phases: securing backing from management, planning of measures, controlling and monitoring as well as optimisation of initiatives implemented. This process

ensures that Nykredit takes the right steps at the right time to strengthen the Group's cyber defence against hackers, phishing, malware etc.

Measures in 2021 included implementation of more advanced security software, enhanced network protection, awareness campaigns, emergency preparedness exercises and optimising the processes for efficient handling of security incidents.

We also stepped up the reporting of IT risks to the Security Committee, Executive Board and Board of Directors to ensure transparency and the required focus on this area. Further, we strengthened the implementation of the IT security policy, which follows the recognised ISO 27001/2 standards. The policy is to help ensure that entities across the Group operate according to the same guidelines in the IT area.

Control of personal data and rights of data subjects

It is important to us that Nykredit's customers and staff have control over and the right of self-determination regarding their personal data – they are only on loan to us as a business, and we will return them or delete them as required.

In 2021 Nykredit implemented a number of controls that measure the degree to which the processes of the individual business units comply with Nykredit's personal data and IT security policies and guidelines. At the same time, we are transparent about why we collect data and what we use the data for. This also applies in the event of

Data Ethics Policy

Nykredit's 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 via deliberate indirect selection.

Security

Customers of Nykredit may feel assured that data are used securely and responsibly. By providing a high level of IT security, robust platforms and standardised processes, Nykredit creates a secure environment.

breaches of personal data security. Like many other companies, Nykredit reported breaches of personal data security to the Danish Data Protection Agency in 2021. The majority related to procedural errors involving a few customers, for instance, e-mails sent to the wrong recipient or with the wrong documents attached. Naturally, we would have preferred avoiding these breaches, but we nonetheless see our collaboration with the Data Protection Agency as a positive step as it heightens security and safety regarding the protection of personal data.

Our staff are key

We know that data protection and IT security rely extensively on the staff who handle personal data on a day-to-day basis. Therefore, we train our staff in processing personal data prudently and responsibly.

Through their training and certification, they have gained basic knowledge of the provisions of data protection legislation and know how to support compliance with them in their day-to-day work.



Personal data, IT security and data ethics



Societal challenges

Customers' confidence in how companies treat and protect their data is essential to an efficient market. 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.



Nykredit's response

It is important to us that Nykredit's customers and staff have control over their personal data and that there is an easy and simple way for them to exercise their rights, including the right of access to or erasure of their personal data. We are transparent about why we collect data and what we use the data for. This also applies if data security is breached. Nykredit must provide efficient, reliable and secure IT services, as IT usage is a key element of Nykredit's business execution. Nykredit wants to apply best practice in its industry, combined with an approach 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. Further, any compromising of a single IT system or computer must not put Nykredit's overall IT environment at risk.



Governance

The Executive Vice President of Digital, Change and IT is in charge of personal data and IT security. The Executive Board is generally responsible for compliance with data protection legislation and for overseeing and assessing how the risks in this field are managed. The individual business units are responsible for the day-to-day risk management in this area as well as compliance with data protection legislation. Nykredit's compliance function includes a Data Protection Officer (DPO) tasked with assessing, monitoring and reporting on the effectiveness of Nykredit's methods and procedures relating to personal data processing.

Policies

- Privacy policy
- Personal data policy
- IT security policy



Activities and achievements

- Data Ethics Policy adopted.
- Implemented several controls related to personal data and IT security.
- Tougher IT security requirements for suppliers.
- Through a number of projects, we are striving to ensure that personal data are processed and erased as prescribed by current legislation.
- Red Team testing of IT security.
- 97.3% and 85% of Nykredit's staff completed and passed certification and e-learning programmes in data protection and IT security, respectively (numbers are lower than 100% because of leave, illness, change of jobs etc.).
- Completed internal control programmes to ensure compliance with IT controls.



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 personal 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.

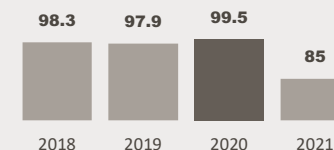


Ambitions for 2022

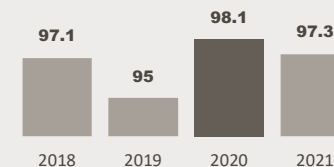
- Regular testing of IT security.
- Continue to support measures to tighten IT security requirements for suppliers.
- Complete self-check programmes aimed at testing implemented controls at Nykredit and main suppliers.
- Continue to implement any measures required to protect the personal data we collect and process, for instance by implementing additional controls.
- Follow up on measures identified during controls.

Key figures and targets

Staff having completed IT security e-learning programmes and tests (%)



Staff having completed data protection e-learning programmes and tests (%)





People

“We are committed to attracting and retaining talented people and creating an environment where all staff members are able to unfold their potential.”

Trine Ahrenkiel, Executive Vice President, People & Identity

People

Sustainable development and responsible business operations require a systematic effort to position Nykredit's organisation for the future so that we can deliver on our strategy and business plan. Our annual Organisational Reviews help the Group's management teams identify needs, opportunities and risks in terms of our HR efforts within the themes Organisation, Management and People.

One of the main focus points in 2021 was the effort to prevent and resolve any challenges in terms of wellbeing, satisfaction and perception of the working environment.

A more flexible working life

The outbreak of the coronavirus pandemic in spring 2020 required our staff to work far more from home, and we were focused on how to ensure their wellbeing and motivation from a distance. In 2021 focus turned to how we can use the insights gained on remote work, which our staff generally embraced, to create a more flexible working life to the advantage of our staff and Nykredit alike.

Against this backdrop, Nykredit entered into an agreement with NYKREDS in the summer of 2021 on a remote work pilot scheme, running until the next round of collective bargaining due at the end of March 2023. Under the agreement, the individual manager and staff member can arrange increased flexibility, always prioritising customers, business performance and the wellbeing of the individual staff member. The scheme is optional for the individual staff member, and managers may always reassess the suitability and extent of remote

work for a specific job position. Staff members who choose to work from home sign an agreement to ensure that they have the right equipment at home as prescribed by working environment legislation.

To help staff arrange a more flexible working life, we have organised webinars about hybrid meetings and Nykredit talks for all managers and staff. We have also set up a monitoring group with staff and management representatives who regularly evaluate the scheme.

Harassment is unacceptable

At Nykredit, we do not accept workplace harassment, and we take extensive measures to prevent it. In recent years, Nykredit's management has communicated quite clearly what is acceptable behaviour at Nykredit and what is not.

In 2021 all managers have been trained at the management academy in preventing and handling harassment, and in connection with the annual organisational reviews, all managers are required to evaluate what they are doing in practice to ensure a communication culture at the workplace characterised by equality and integrity – based on the Group's anti-harassment guidelines.

Lastly, we ensure that both staff members and managers know which options are available to them if they experience harassment or unwanted sexual attention at the workplace. Nykredit's staff can talk to their teamlead or use our whistleblower scheme, or they can turn to HR or a trade union representative. If any cases should arise,

we have a procedure for taking thorough and resolute action, and clear violations of the common ground rules at Nykredit will lead to dismissal.

High job satisfaction

Staff satisfaction in 2021 remained at the same high level as in 2020. We have high staff engagement, and we outperform external benchmarks in most areas. We are particularly proud of the high scores on parameters such as job satisfaction, management, learning and development – and that our staff increasingly recommend others to work for Nykredit. This has not changed despite changeable times where we are now back at the office after months of working from home and in the middle of a trial period with more flexible and virtual ways of working.

Investing in people

Nykredit aims to build a desirable workplace, attracting and retaining skilled people and strong talents in a culture focused on community and development. We have therefore made a pledge to our staff:







“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 staff, it is our ambition and obligation to strengthen the development of our staff's professional and personal skills, in the short and long term. The pledge also supports our strategic upskilling efforts to safeguard Nykredit's competitive power. Our upskilling initiatives are based on existing business needs and regulatory requirements to ensure that our staff have the skills and capabilities required by our customers – that they can provide the best advice, take advantage of digital opportunities and comply with regulatory requirements and Nykredit's Code of Conduct.





Every year Nykredit's staff complete mandatory training and certification in the prevention of financial crime, IT security and personal data protection. Also, all Nykredit staff may receive skills enhancement through a specialised joint financial sector scheme, which offers a broad range of courses and training programmes for financial sector employees (Finanskompetencepuljen). In addition, our staff undergo relevant business-specific training.

Talent development is the cornerstone of our efforts to ensure that we have the most talented staff across the Group. We offer various development programmes to selected talents so that they can develop their professional and personal skills through dedicated accelerating training – and contribute to developing Nykredit. In 2021 we completed a number of behavioural campaigns among Nykredit's staff.

Upskilling our people

-  Mandatory training and certification of all staff members in the prevention of financial crime, IT security and personal data protection
-  All staff members have development and performance reviews
-  Training and certification in investment products, Insurance Distribution Directive (IDD), home loans and credit management for personal banking and business banking advisers and specialists
-  Specialised credit management training for all personal banking and business banking advisers as part of Nykredit's credit management academy
-  Bespoke onboarding programme for all new staff members
-  Relevant upskilling of staff in Nykredit's customer-facing entities in fields such as construction finance, ESG for credit assessment, energy check-ups and new customer propositions

Talent programme for selected staff members

-  Nykredit Academy: Personal development and sales training for banking advisers
-  Young Talent: Programme for hand-picked talents from all across the Group
-  Nykredit Move: Programme for middle managers with development potential
-  Graduate Programme: 1-year programme for graduates

People

Staff satisfaction, health, wellbeing and development



Societal challenges

Sustainable development and responsible business operations require qualified, engaged and satisfied staff. Wellbeing at work is essential to the everyday life of the individual as well as to Nykredit's ability to make a positive contribution to the communities we serve.



Nykredit's response

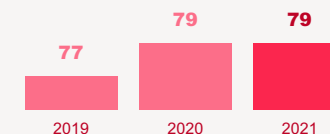
Nykredit's most importance resource is its staff. Nykredit's staff are the ones creating value to customers and the business. Nykredit aims to build a desirable workplace, attracting skilled people and strong talents. To do this, we have to focus on creating working conditions that make for satisfied staff who are happy about the jobs, the culture and each other.

We are committed to developing our staff and training the requisite skills to match customer needs, provide the best advisory services and comply with legislation. Nykredit has forums and procedures in place as per agreement that safeguard staff participation at the workplace and protect our staff's rights, including 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.

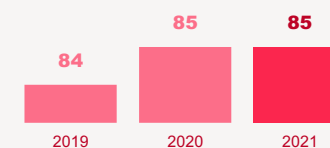


Key figures and targets

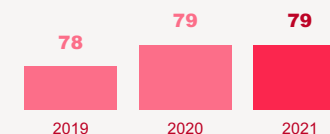
Job satisfaction (index 100)



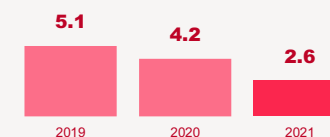
Loyalty (index 100)



Learning and development (index 100)



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



Governance

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

Policies

- Code of Conduct
- Group Collective Agreement



Activities and achievements

- Wider opportunities for a flexible working life focused on supporting remote and hybrid management.
- Improved existing and developed new hybrid training programmes with a mixture of in-person and virtual learning for our staff.
- Completed statutory training and certification of all staff relating to the prevention of financial crime, IT security and data protection.
- Completed upskilling and talent programmes, including Nykredit Move, Young Talents, Nykredit Academy and Graduate Programme.
- All Group managers completed our Winning the Double Management Academy III, which centred around "Together we are more" management, and training included common tools for promoting team spirit, empowerment, responsible business practices, feedback culture, team performance, social manners, diversity and inclusion.
- Completed the first training activities of Nykredit's new credit management academy.
- Launched a new training course in sustainable agriculture for all agricultural advisers.
- Completed our annual staff survey with continued high scores on job satisfaction, loyalty and staff wellbeing.



Risks of negative impact on society

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

Nykredit's risk

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



Ambitions for 2022

- Continued focus on creating a flexible and meaningful working life, including strengthening hybrid meetings and working environments.
- Implement a new HR system with updated core processes, not least a new performance management concept, introducing new Nykredit-specific behavioural skills and ensuring a strong focus on the development, performance and wellbeing of the individual staff member.
- Launch new training initiatives as part of Nykredit's credit management academy for enhancing staff skills within relevant fields.
- Commence initiatives to ensure upskilling of Nykredit's staff in relation to sustainability.
- Reinforce manager skills and management quality, so that tools from Nykredit's Winning the Double Management Academy III are put into play, focusing on team spirit, empowerment and how to be customers' preferred choice, including a collaboration-oriented management culture, team development, feedback, social manners, diversity and inclusion.
- Continued focus on talent development, including by increasing managers' ability to spot and stimulate new management talent.

Diversity and inclusion

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

It is important to us that Nykredit is recognised as an inclusive workplace where all staff members experience equality and feel respected. We believe diversity is a benefit and a catalyst for development, growth and wellbeing. We therefore developed a strategy in 2019 for diversity and inclusion at Nykredit, which means that we address this theme at the structural level, at management level and at the individual level.

Inclusive management and focus on maternity/paternity leave

Therefore, we will in 2021 train all our managers in inclusive management to provide them with insights and tools to realise that ambition. All of the Group’s managers have completed Nykredit’s management academy, which includes training in the ability and need to build an inclusive workplace where everybody has a sense of belonging, driven by team spirit, integrity, equality and openness and where we succeed in bringing each other’s differences into play so that we reduce conventional thinking and challenge our own perceptions and unconscious bias.

We also updated our stock of photos used for employer branding purposes to present a more diverse representation of staff and now use gender-neutral language in our job advertisements to attract a wider

selection of profiles. Since 2019 we have surveyed our staff on whether they feel that all colleagues in their unit have equal opportunities regardless of gender, age, nationality, sexual orientation etc, and the vast majority respond that they do. With a view to providing an even more inclusive working environment, we launched a new tool facilitating dialogue between staff members and their supervisors on maternity or paternity leave. We believe a better dialogue between manager and staff member before, during and after maternity/paternity leave contributes to a good return and retention of staff.

Female managers by management level	2019	2020	2021
Top	20%	18%	19%
Middle	26%	28%	33%
First	39%	43%	38%

The chart shows the proportion of women by management level.

Implemented and completed several initiatives under Nykredit’s plan for more women in management

We are committed to improving and strengthening Nykredit’s gender balance through specific initiatives and significant attention from top-level management. These years, particular focus is on ensuring gender diversity, including equal gender opportunities for leadership at all levels at Nykredit.

We monitor the gender composition when filling management positions, as this is a good measure of our success in promoting and recruiting more women. We

are strongly committed to encouraging and motivating female managers to join our talent programmes such as Nykredit Move and Young Talents. In the Nykredit Move talent programme that ended in 2021, 70% were women. We have introduced exit interviews with female managers who quit 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 we have singled out female role models in external and internal communications.

2021 saw an increase in the number of women when filling middle-management positions, but a decrease in the number of women when filling top- and first management positions compared with 2020. The increase was mainly a result of many women across the organisation moving from first-level to middle-level management. In top-level management, relatively more men than women were assigned more responsibilities and/or were recruited to top-level management, which explains the decrease compared with 2020. In 2022 intense focus will remain on attracting female candidates for recruitment, promotion and internal reassignment /reorganisation at all levels of management.

Number of women when filling positions, by management level	2019	2020	2021	Target 2022	Long-term target
Top	31%	48%	35%	40%	45%
Middle	22%	38%	49%	42%	45%
First	41%	50%	33%	45%	45%

The chart shows the proportion of women when filling positions by management level.

Equal pay

Nykredit applies a fixed structure to determine the pay level of specific job positions. The pay level is determined based on a recognised job evaluation system that factors in elements such as complexity, skills, influence and communication requirements. The system supports objectivity in the determination of pay. We regularly monitor and measure pay gaps between men and women determined according to job tier. The figures are used in the individual manager’s basis for decision in connection with pay rounds.

Evidently, we at Nykredit – as in the financial sector at large – have 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. All figures are available in our [Sustainability Fact Book](#).

Salary gap of Nykredit staff under collective agreement*

IPE class =													
Position impact ranking	46	47	48	49	50	51	52	53	54	55	56	57	
Salary gap	5.7%	4.3%	3.1%	2.4%	0.5%	2.0%	3.2%	3.1%	5.0%	7.6%	4.5%	4.0%	
In favour of (Women/Men)	Women						Men						

Chart shows weighted salary gap between women and men by IPE class.
 * Includes staff under collective agreement, the IPE class consisting of more than 10 representatives of each gender.

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



Female board representation

Nykredit has set diversity targets for the Board of Directors. Our diversity policy emphasises that, in addition to professional and personal skills, regard must be had to diversity in relation to 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.

In 2020 Nykredit A/S and Nykredit Realkredit A/S delivered on this target, but Totalkredit A/S and Nykredit Bank A/S did not. As one of few among the professional boards in Denmark, Nykredit appointed a woman as Chair in 2020.

This means that the chairs of both Nykredit A/S and Nykredit Realkredit A/S are held by women. In 2021 the targets for Nykredit A/S and Nykredit Realkredit A/S were

met, but not those for Totalkredit A/S and Nykredit Bank A/S. The proportion of women on the Board of Directors of Nykredit Portefølje Administration A/S has decreased because of a resignation. The position had not been refilled as at the date of this report.

In the Nykredit Group, the Boards of Directors of Totalkredit A/S and Nykredit Bank A/S are composed of three and four Group Executive Board members, respectively, and in respect of Nykredit Bank A/S also two staff-elected board members. 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 2021.

Female board representation

Company	2018	2019	2020	2021	2021 target	Target 2023***
Nykredit A/S	33%	33%	40%	40% (6 out of 15)	40%	40%
Nykredit Realkredit A/S	38%	38%	42%	42% (5 out of 12)	42%	42%
Nykredit Bank A/S	0%	17%	17%	17% (1 out of 6)	25%	33%
Totalkredit A/S	11%	11%	0%*	0% (0 out of 3*)	25%	25%
Nykredit Portefølje Administration A/S**	-	-	40%	25% (1 out of 4)	40%	40%

Nykredit's diversity policy includes targets.

*The structure of the Board of Directors of Totalkredit was changed in 2020. The Board of Directors is now composed of three persons.

**As from 2021 the policy also covers the Board of Directors of Nykredit Portefølje Administration A/S.

***Covers target horizon 2022-2023.



Diversity and inclusion



Societal challenges

A lack of diversity and an uneven gender composition in a company may indicate a failure to realise the full potential of current and prospective staff members. When a company fails to establish a diverse staff and management that reflect broader society, staff members belonging to minority groups may feel overlooked or discriminated against. Also, a low level of diversity may hamper a company's innovative power and have a negative earnings impact because of the absence of diverse skills, experience and perspectives. Lastly, inexplicable salary differences may indicate unequal pay between men and women.



Nykredit's response

Community and team spirit are essential values at Nykredit, and it is our firm belief that together we are more. It is important to us that Nykredit is recognised as an inclusive workplace where all staff members experience equality and feel that their unique contribution is both recognised and included. In recent years we have had particular focus on ensuring that female managers who will and can make a difference are given the opportunity to realise their ambitions so that we can improve the gender balance in management. This will remain a priority and be supplemented with additional focus on bringing the broader diversity into play so as to challenge conventional thinking and generate creative and innovative solutions for the benefit of our customers and society.

Concurrently, we train and strengthen our managers' ability, within their domain, to create and promote an inclusive workplace where different perspectives and potentials are brought into play.



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 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.
- All managers attended Management Academy III, where one of the focus areas was diversity and inclusion.
- Updated our stock of photos for employer branding purposes to present a more diverse representation of staff and used gender-neutral language in our job advertisements.
- Monitored and analysed how payroll costs break down by gender in the different business entities to enable management to support equal pay.
- Introduced exit interviews with female managers who quit their jobs with Nykredit in order to target initiatives to ensure that Nykredit is and remains an attractive workplace for female managers.
- Launched a dialogue tool aimed at ensuring that staff members maintain a close connection to Nykredit before, during and after maternity/paternity leave.
- Signed the Gender [Diversity Pledge](#) of the Confederation of Danish Industry, whereby Nykredit commits to work with 16 principles covered by the pledge as well as our own specific targets for promoting gender diversity.



Risks of negative impact on society

A lack of diversity and an uneven gender composition in a company may indicate a failure to exploit the full potential of current and potential staff members. It slows down the businesses' and society's development.

Nykredit's risk

There is a risk that we fail to notice potential due to unintended preferential treatment of those who resemble ourselves the most in promotion and recruitment situations. 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 staff get a sense of not being understood and matched in terms of their needs, with a resulting decline in customer and staff satisfaction.



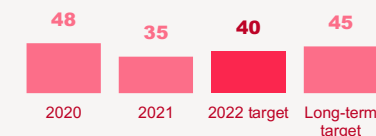
Ambitions for 2022

- Continued focus on ensuring a wide selection of female candidates in recruitment and promotion processes.
- Monitor and ensure that our processes and policies eliminate barriers and unconscious bias.
- Upskill managers to drive and support the diversity agenda through implementation of training elements from the management academy.
- Continued focus on diversity and inclusion at individual and team levels in the annual organisational reviews.
- Continue to conduct exit interviews with female managers who resign from Nykredit, to obtain insights and target our initiatives.
- Incorporate the maternity/paternity leave dialogue tool to support an inclusive working environment.

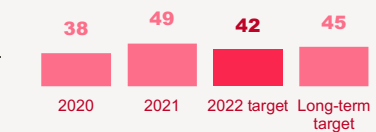
Key figures and targets

Share of women when filling positions (%)

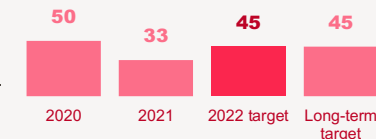
Top-level management



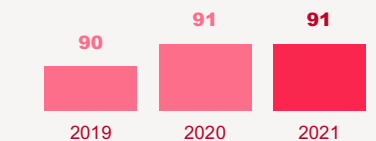
Middle-level management








First-level management








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



Overview: Prioritised initiatives and selected key figures

SOCIETAL CHALLENGES	INITIATIVE	UN SUSTAINABLE DEVELOPMENT GOALS	FINANCIAL RATIOS	2018	2019	2020	2021	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 (%)	21.0	19.5	20.2	20.6	-
			Lending growth in municipalities, Totalkredit	96 out of 98	97 out of 98	98 out of 98	97 out of 98	-
			Portfolio proportion of repayment loans, Totalkredit	-	56%	57%	57%	-
			Portfolio proportion of fixed-rate loans, Totalkredit	-	54%	59%	63%	-
Buildings play a key role in achieving the climate targets. Existing homes as well as new sustainable buildings are in need of energy renovation.	Sustainable housing		Loans and advances included (DKK billion)	-	-	-	905	-
			CO ₂ e emissions financed (kilotonnes)	-	-	-	1,031	-
			Emission intensity (tonnes of CO ₂ e/DKK million)	-	-	-	1.14	-
Need for massive investment in the green transition, including electricity production, green transition in the industrial sector, development of new solutions and sustainable building.	Sustainable businesses and buildings		Loans and advances included (DKK billion)	-	-	-	386	-
			CO ₂ e emissions financed (kilotonnes)	-	-	-	1,172	-
			Emission intensity (tonnes of CO ₂ e/DKK million)	-	-	-	3.04	-
The agricultural sector accounts for about 20% of Denmark's greenhouse gas emissions.	Sustainable agriculture		Loans and advances included (DKK billion)	-	-	-	86	-
			CO ₂ e emissions financed (kilotonnes)	-	-	-	1,951	-
			Emission intensity (tonnes of CO ₂ e/DKK million)	-	-	-	22.6	-
Need for massive investment in companies that contribute to sustainable global development and for investors that engage with companies to promote responsible business practices and green transition.	Sustainable investments		Investments included (DKK billion)	-	-	-	523	-
			CO ₂ e emissions financed (kilotonnes)	-	-	-	2,968	Carbon neutral by 2050
			Emission intensity (tonnes of CO ₂ e/DKK million)	-	-	-	5.7	60% reduction from 2020 to 2030
			Equity funds with above-benchmark ESG ratings	44%	47%	57%	71%	-
			Percentage of equity AuM where Nykredit participated in general meetings	37%	49%	33%	36%	100% in 2022

SOCIETAL CHALLENGES	INITIATIVE	UN SUSTAINABLE DEVELOPMENT GOALS	FINANCIAL RATIOS	2018	2019	2020	2021	TARGET
All businesses impact the climate and the environment through their production.	A greener Nykredit		Total CO ₂ e emissions, operations	3,980	2,956	1,409	1,064	-
			CO ₂ e emissions per FTE	1.08 (22% reduction)	0.63 (42% reduction)	0.33 (48% reduction)	0.26 (21% reduction)	5% annual reduction up to 2025
			Total MWh consumption	15,558	15,277	14,599	13,815	25% reduction from 2017 to 2025 = 13,056
			Percentage of recycled waste	50%	51%	47	54%	80% in 2023
			Waste per FTE (kg)	141	137	96	100	100 kg in 2023
			Nordic Swan Ecolabelled products (%)	28	27	29	-	-
			Number of completed eco-challenges	-	-	9	10	15 in 2022
Financial crime is extremely harmful at both the national and international levels.	Initiatives to combat financial crime		Percentage of staff having completed and passed anti-money laundering e-learning programmes and tests	96.7%	95.6%	98.2%	95%	-
Financial institutions have a major responsibility for ensuring responsible advisory services in relation to their products and services.	Responsible business conduct		Number of conduct risks	-	-	120	127	-
			Conduct: Safe & open culture at Nykredit (indeks 100)	-	-	-	89	-
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 staff having completed and passed IT security e-learning programmes and tests	98.3%	97.9%	99.5%	85%	-
			Percentage of staff having completed and passed data protection e-learning programmes and tests	97.1%	95.0%	98.1%	97.3%	-
Qualified, dedicated and satisfied staff are a prerequisite for sustainable and responsible business operations.	People		Job satisfaction (index 100)	76	77	79	79	-
			Loyalty (index 100)	-	84	85	85	-
			Learning and development (index 100)	-	78	79	79	-
			Average days of absence due to illness	5.6	5.1	4.2	2.6	-
A lack of diversity and representation may result in failure to unlock the full potential of current and potential staff members.	Diversity and inclusion		Number of women when filling positions, by management level	Top	31%	48%	35%	45%
				Middle	22%	38%	49%	45%
				First	41%	50%	33%	45%
			Equal opportunities regardless of gender, age, nationality, sexual orientation (index 100).	-	90	91	91	-

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 2021. 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 the gender composition of management, see section 135a 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 is supplemented by Nykredit's Sustainability Fact Book 2021, which is available at nykredit.com/samfundsansvar. The 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 2021 have been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Nykredit's GRI Index is included in the Sustainability Fact Book 2021.

The statements of resource consumption of, and CO₂e emissions from the operations of, the Nykredit Group and its subsidiaries have been externally audited by FORCE Certification A/S.

All key figures have been determined for the calendar year 2021, unless otherwise specified.

Development and growth throughout Denmark

CET1 capital (%)

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

Lending growth in municipalities, Totalkredit

Bond debt outstanding, beginning of period compared with end of period, per municipality for Totalkredit.

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 carbon footprint

The carbon footprint of the Nykredit Group's operations, lending and investments has been determined using [Finance Denmark's CO₂e model for the financial sector](#).

SCOPE 1

Comprises direct CO₂e 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. Derived emissions are, however, not included in the CO₂e emissions statement, as our consumption of natural gas is converted into carbon-neutral biogas every year. 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 so-called "200% method". The 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/emission factors calculated by applying the 200% method. Emissions from our electricity consumption are calculated using the emission factors published at www.energinet.dk/. Emissions from

district heating are calculated based on the most recent emission factor from 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 CO₂e emissions in scope 3 for the following sub-categories, cf the GHG protocol:

Category 3: Fuel- and Energy-Related Activities
Nykredit's data are hosted and managed by JN Data. Nykredit's share of JN Data's CO₂e emissions are calculated at 11.53%, based on Nykredit's share of the cost of operating JN Data. Actual CO₂e emissions are determined by applying the methods described in scopes 1 and 2.

Category 6: Business Travel
For travel by taxi and own cars, calculations are made using emissions factors published at <http://www.ens.dk>. Nykredit's average emissions from cars are calculated using CO₂e emission data published for registered cars in Denmark in 2006 and 2012. Emission data on travel by rail are obtained via the Danish State Railways (DSB), and emission 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.

Classification 13: "Downstream Leased Assets"
Car loans: 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 have 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: Investments
Finance Denmark's CO₂e model for the financial sector contains methods for estimation of financed CO₂e 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 CO₂e 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 carbon 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 data on the energy consumption of the buildings available from energy labels provided by 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 CO₂e emissions by applying the emission and energy factors of the Danish Energy Agency.

Mortgage lending for industry and agriculture as well 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 industries from Statistics Denmark. Financed emissions are then calculated by assigning to Nykredit its percentage share of the industry's emissions, equal to Nykredit's share of the lending to the sector. 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 is 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 three initiatives: Sustainable housing, Sustainable businesses and buildings, and Sustainable agriculture. Sustainable housing comprises mortgage lending and bank lending for owner-occupied dwellings. Sustainable businesses and buildings comprise mortgage lending for public housing, cooperative housing, rental, office and industrial properties and for subsidised housing as well as bank lending for businesses. Sustainable agriculture comprises mortgage loans for agriculture over 10 hectares.

Listed equities and corporate bonds:

The valuation applied in the weighting of companies is based on 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 provide data on the basis of disclosures from companies and the CDP.

Mortgage bonds:

Nykredit has collected data directly from issuers of mortgage bonds for calculation of the climate footprint of this asset class. Data are based on reporting from the capital centres through which the bonds have been issued. The coverage ratio remains relatively low, but dialogue with the issuers has led us to conclude that the ratio will be improved in the years to come.

Derivatives:

Derivatives and futures are included if they follow a defined benchmark with underlying physical identifiable 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 CO₂e 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 CO₂e model.

Total CO₂e emissions, operations

CO₂e emissions from operations are defined as scope 1 + scope 2 + categories 3 and 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.

CO₂e emissions per FTE

Total CO₂e emissions from operations divided by the number of FTEs at the end of the year. CO₂e emissions from operations are defined as scope 1 + scope 2 + categories 3 and 6 of scope 3.

Distribution of energy labels

The proportion of Nykredit's lending distributed by 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 Agency's website www.spareenergi.dk.

Sustainable investments

Nykredit applies the terms and methodologies recommended by UNPRI for the purpose of Nykredit's annual reporting to the UNPPRI 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. Sustainability is Nykredit's partner when we engage with companies for breach of international standards. Sustainability provides supplementary data on the relevant case, along with an assessment of its progress. ISS and Glass-Lewis provide analyses prior to annual general meetings of public limited companies to be used in voting decisions. They also provide statistical data on voting for this report. Nykredit also applies data sets issued by public authorities or organisations, provided that we deem such data to be reliable. When applying this type of information, we include the source in our reporting.

EU taxonomy-alignment and -eligibility of equities and government 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 have purchased 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. In 2020 and 2021, Nykredit voted and collected data for voting purposes via two voting platforms. All votes in Nykredit funds were cast through Glass-Lewis, whereas votes in Sparinvest funds were cast via ISS. Data covering the years up to and including 2019 only concern the Glass-Lewis platform, as the merger between Nykredit and Sparinvest had not been effected at that point. From 2022, Nykredit will vote using one common platform for all funds.

Resource consumption

The determination of Nykredit's resource consumption covers the entire Nykredit Group and its subsidiaries: Nykredit Leasing (ownership interest: 100%) and Sparinvest Holdings SE (ownership interest: 75%). Data on Nykredit's operations cover the period from 1 October 2020 to 30 September 2021. 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 reading 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 staff 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 monthly kg/location. 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 staff divided by the number of FTEs at the end of the year.

Proportion of Nordic Swan Ecolabelled products

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 conduct

Number of conduct risks

Total number of conduct risks identified in the Nykredit Group.

Conduct: Safe and open culture in Nykredit

Key figures for Q1-Q3/2021 have been prepared based on sample surveys conducted among 5-600 members of staff and management. Key figures for Q4/2021 have been prepared based on the staff satisfaction survey.

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

The proportion of permanent, temporary and student staff who, in 2021, 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 staff satisfaction survey

Results of the Nykredit Group staff satisfaction survey conducted in October 2021:

- Job satisfaction (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 2021. 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

Number of women when filling positions, by management level

The proportion of women when filling management positions across the Nykredit Group's three management levels by appointment, internal reassignment /organisational adjustments and external recruitment.

Female managers by management level







Proportion of female managers determined for each of the Nykredit Group's three management levels relative to the total number of managers at each management level.

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. Employee-elected members are included in the determination for Nykredit A/S, Nykredit Realkredit A/S and Nykredit Bank A/S.

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 2021](#).

Principle	Implementation of the principles
 <p>Alignment</p> <p>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 achieve 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</p> <p>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 2021 we particularly addressed Nykredit’s climate impact, which is one of the areas where we have the greatest impact, and we set new 2030 goals for the carbon footprint of our investment portfolios. We also have a series of specific targets, including for women in management and the Group’s own CO₂e emissions. 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</p> <p>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 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</p> <p>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 climate and sustainability, rural districts and lending to specific sections of the population. In 2021 Nykredit continued the dialogue we had in 2020 with a number of stakeholders to discuss how we can best support our customers through their financial challenges caused by the covid-19 crisis.</p>
 <p>Governance & Culture</p> <p>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 conduct management efforts, 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</p> <p>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 our progress in implementing the UN’s Principles for Responsible Banking for the second time. We will disclose the results of our impact analyses. We calculate the CO₂e footprint of our aggregate lending and investment portfolio. 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>

Governance

Nykredit's corporate responsibility commitment has been integrated into the Group's governance structure. The chart below shows the integration of corporate responsibility and sustainability-related matters into our structure.



Group Risk Committee

Chair: Anders Jensen, Group Managing Director, CRO

- Handles risks related to ESG factors as an integrated part of traditional risk areas
- Responsible for the determination and assessment of the required own funds and internal capital adequacy requirement, including ESG

Credits Committee

Chair: Anders Jensen, Group Managing Director, CRO

- Responsible for Nykredit's credit policy, which aims to ensure that we can offer loans to people and businesses all over Denmark, at all times
- Responsible for integration of risks and opportunities relating to ESG factors into the credit policy and the valuation policy

Asset/Liability Committee

Chair: Anders Jensen, Group Managing Director, CRO

- Responsible for the management of and duties in the areas of funding, liquidity and market risk. Capital management ensures that Nykredit can offer loans to people and businesses all over Denmark, at all times
- Nykredit's Green Bond Committee is a subcommittee under the Asset/Liability Committee

Contingency Committee

Chair: David Hellemann, Group Managing Director, CFO/COO

- Responsible for compliance with IT security policy rules in relation to contingencies (major accidents and catastrophes)
- Responsible for implementing the Group's overall contingency plans, covering IT as well as business aspects, and for the emergency staff in the event of major accidents, catastrophes etc, including handling of covid-19 in the Nykredit Group

Products Committee

Chair: Anders Jensen, CRO

- Charged with ensuring that Nykredit's products and services are responsible from a societal perspective, and, if relevant, contribute to a sustainable development of society
- Approves sustainability assessment of all products and the special green section for all green products

Sustainable Investment Forum

Chair: Peter Kjærgaard, Head of Wealth Management

- Responsible for implementation of Nykredit's responsible investment policy
- Responsible for decisions on active stewardship and exclusions
- Responsible for quarterly ESG screening of investments, including human rights violations

Commitments and policies governing our efforts

National and international commitments



Policies

- Credit Policy
- Risk Policy

- Corporate Responsibility Policy

- Credit Policy
- Valuation Policy
- Nykredit Group Products 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 Products Policy
- Data Ethics Policy
- Corporate Culture Policy

- Diversity Policy
- Remuneration Policy



Nykredit

Kalvebod Brygge 1-3
DK-1780 Copenhagen V

+45 70 10 90 00
Nykredit.com



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