

CR Fact book

2015

The Nykredit Realkredit Group
Unaudited



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The Corporate Responsibility Fact Book contains disclosures regarding the Nykredit Realkredit Group's corporate social responsibility (CSR). The Corporate Responsibility Fact Book also includes Nykredit's statutory disclosures on corporate social responsibility in accordance with sections 135 and 135a of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. issued by the Danish FSA.

UN Global Compact

-Nykredit commits to sustainable conduct

Principle	Approach
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights.	Nykredit's portfolios are screened twice a year to make sure that they are in accordance with the UN Global Principles for Responsible Investment. In addition to regular screening, Nykredit's portfolios are subject to continuous monitoring in order to assure its customers that steps are taken against non-compliant companies.
2. Businesses should make sure that they are not complicit in human rights abuses.	Nykredit's investment policy implies that Nykredit will try, through dialogue, to make non-compliant companies change their conduct. If necessary, Nykredit will join forces with other investors in the attempt to bring about a change of conduct. Where dialogue does not lead to a change of conduct, Nykredit may sell its securities in the company. In addition to regular screening, Nykredit has a socially responsible investment policy, which can be found on our website.
Labour standards	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Nykredit has a good relationship with NYKREDS, its staff association, and Nykredit appreciates that NYKREDS seeks influence and works to ensure that staff conditions are considered in the day-to-day operations and the continuous group development. Interaction takes place at many levels: between the individual supervisor and union representative, in the local and central works councils and health and safety committees, as well as in a number of ad hoc working groups.
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	In order to support the objective of being an attractive and challenging workplace, Nykredit has prepared a staff policy, which is being implemented through the local works councils in dialogue with NYKREDS.
5. Businesses should uphold the effective abolition of child labour.	Nykredit's portfolios are screened twice a year to make sure that they are in accordance with the UN Global Principles for Responsible Investment. Based on the outcome, Nykredit decides which steps should be taken if a company in which it has invested does not comply with the conventions.

6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Nykredit widely supports staff diversity in age, gender, sexual orientation, ethnicity and disability. We believe that a diverse staff, reflecting who our customers are, strengthens the business and fosters a good and innovative working environment.
Environment	
7. Businesses should support a precautionary approach to environmental challenges.	Nykredit intends to boost internal energy efficiency by combining reductions in energy consumption with the establishment of renewable energy systems such as solar cells. Also, we are in the process of reducing emissions from transport.
8. Businesses should undertake initiatives to promote greater environmental responsibility.	The objective of our internal efforts is to achieve an absolute reduction of 65% of Nykredit's total CO2 emission by end-2020. Transport will account for an 8% reduction and internal efficiencies and renewable energy systems for 32%. Via our business initiatives, Nykredit will promote the Energy Agreement's target of more renewable energy in the Danish energy supply network. The contribution from Energy Agreement 2020 will be in the range of a 25% reduction of Nykredit's total CO2 emission relative to the 2012 levels.
9. Businesses should encourage the development and diffusion of environmentally friendly	Nykredit has a climate and environment strategy up to 2020, focusing on both Nykredit's financial service activities and a reduction of Nykredit's own CO2 emission.
Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	Nykredit's anti-corruption policy sets out the principles for Nykredit's approach to countering any form of corruption. The policy points to specified activities and areas in which management and staff must be particularly alert to a potential risk of corruption. Initiatives such as e-learning programmes for all staff members aim to ensure that all Nykredit Group staff act ethically correct at any time. The risk of corruption at the Nykredit Group is assessed as low, as Nykredit is a Danish-based financial services group with relatively few foreign customers and operates mainly in Scandinavia and the EU. But typical risk areas include nepotism, conflicts of interest, money laundering and inappropriate gifts.

Policies

Nykredit's externally published policies

Policy	Description	Link
Corporate governance	<p>As the Nykredit Group is owned by a financial mutual, its shares are not listed on Nasdaq Copenhagen. Therefore, the Recommendations of Corporate Governance do not apply directly to Nykredit.</p> <p>However, Nykredit monitors the development in the Recommendations of Corporate Governance and widely adheres to them.</p>	<u>Corporate governance</u>
Environment and climate policy	<p>Nykredit's environment policy is based on our business concept of Financial Sustainability. Financial Sustainability promises balance and lasting relations.</p> <p>The impacts on the environment are a serious challenge to society. Being one of Denmark's largest financial businesses, we share a responsibility for contributing to a long-term environmental response.</p>	<u>Environment and climate policy</u>
Stakeholder policy	<p>Based on Nykredit's business concept – Financial Sustainability – we will contribute to securing a stable and efficient financial market and thus meet the expectations and requirements of our customers, staff and other stakeholders.</p>	<u>Stakeholder policy</u>
Tax policy	<p>It is Nykredit's policy to be a competitive company while at the same time being a responsible tax payer, and Nykredit intends to make its tax affairs as transparent as possible.</p>	<u>Tax policy</u>
Remuneration policy	<p>Pursuant to the rules on responsible remuneration, the Board of Directors of financial businesses must perform an annual review of their remuneration policies. Every year Nykredit must report and disclose information about our remuneration policy and practices pertaining to the Board of Directors, the Executive Board and other staff members whose activities significantly affect Nykredit's risk profile.</p> <p>Disclosure requirements are stated in section 15 of the Danish executive order on remuneration policy and public disclosure of salaries in financial institutions and financial holding companies.</p>	<u>Remuneration policy</u>
Sustainable investment policy	<p>Nykredit's socially responsible investment policy is based on the same awareness as Nykredit's business concept of Financial Sustainability: That sustainability may be a catalyst for higher returns and lower risk. This is why Nykredit is committed to both Global Compact and UNPRI; accordingly, our investment policy not only pertains to Nykredit's investment funds, but also to the Group's investment of its own funds.</p>	<u>Sustainable investment policy</u>

Some of Nykredit's internal policies

Policy	Description
Code of conduct	The companies of the Nykredit Group operate according to Nykredit's business concept and code of conduct.
Credit policy	Nykredit's credit policy determines the desired credit risk profile for Nykredit Realkredit and Nykredit Bank.
IT safety policy	Nykredit's IT policy aims to ensure transparency and consistency for customers and staff through sustainable IT solutions.
Diversity policy	Nykredit aims at staff diversity in terms of gender, age, ethnicity, sexual orientation and flexitime jobs.
Health and safety policy	Through consistent efforts to improve physical as well as psychological working conditions, Nykredit aims to increase staff satisfaction and reduce sick absence rates.
Anti-corruption policy	Nykredit's anti-corruption policy sets out the principles for Nykredit's approach to countering any form of corruption. The policy points to specified activities and areas in which management and staff must be particularly alert to a potential risk of corruption. Initiatives such as e-learning programmes for all staff members aim to ensure that all Nykredit Group staff act ethically correct at any time.
Fraud or suspected fraud policy	Procedures aim to ensure that staff members of the Nykredit Group know how to act in case of another staff member committing or being suspected of fraud.
Whistle-blower policy	Nykredit's whistle-blower policy ensures an open company culture where staff can express concerns about possible violations of financial regulations.
Staff policy	Nykredit's group staff policy defines Nykredit's general approach to and expectations of its staff. The policy sets the overall framework, direction and scope for the behaviour of Nykredit's staff when at work.
Confidentiality policy	Upon employment with the Nykredit Group, staff members are made familiar with Nykredit's confidentiality policy.
Capital and risk policy	Given Nykredit's size, the credit policy allows for the aim of a suitable market presence and an objective of limited losses. The credit policy has been prepared with a view to hedging the risks affected by changes in economic trends between the granting of loans and their final settlement.
Liquidity policy	Nykredit has structured its lending in a manner that ensures a high level of liquidity.
Managing of customer information-policy	Customer information is confidential and is not shared among companies within the Nykredit Group unless it serves the customer's best interest and a consent form has been signed by the customer.

Customers

Nykredit puts the customer first and aims to have the most satisfied customers among the leading Danish financial sector players.

The Nykredit Group is in contact with more than 1 million customers. This includes almost 450,000 personal customers, more than 70,000 commercial customers under the Nykredit brand, and over 600,000 personal customers served by local and regional banks under the Totalkredit partnership

Advantages as a Nykredit customer

Nykredit's customers, have access to competent advice whenever they need it. We offer banking, mortgage lending, insurance, investment and pension expertise. In other words, we cover all aspects of our customer's financial situation.

As a personal customer

We look at your overall financial requirements because home loans, personal finances, savings and investments are inextricably interlinked.

As a commercial customer

You get a bank with in-depth business knowledge and understanding of the challenges facing you and your company.

Access to finance

We want to share knowledge of financial issues and the financial services sector through dialogue with our stakeholders. Focus on our stakeholders is vital to our objective of carrying on financial business for the benefit of our customers. Nykredit contributes to society by conducting business in a responsible manner, enabling us to provide loans to individuals and businesses in good times as well as in more challenging times.

For a overview of our lending portfolio on regions, countries and more, see our financial factbook on nykredit.com/ir.

Market stability

In line with our CSR policy, Nykredit strives to contribute to a stable and efficient financial market. As a large workplace and business, we play an important role in society. As a financial mutual governed by our customers, we have a special obligation to show commitment and assume responsibility – also through support and involvement in other areas in Danish society, locally as well as nationally.

Customer satisfaction

Nykredit works systematically on customer satisfaction and development and improvement measures that match our customers' needs and requirements and create long-term relationships. It is important to us that our customers have a positive experience when dealing with Nykredit. Therefore, we regularly ask our customers about their expectations regarding Nykredit's advisers, products and services.

Nykredit's ambition is to have the most satisfied customers.

It is important to us that our customers have a positive experience when dealing with Nykredit. Therefore, we regularly ask our customers about their expectations regarding Nykredit's advisers, products and services and whether their experience matches those expectations.

We spare no effort

Our satisfaction surveys provide us with valuable input from thousands of customers, and their time is not wasted.

When we are made aware of areas where we could do better, we take it seriously and change our practice.

This is how we listen

We listen to our customers and take their feedback seriously. Only that way can we achieve our ambition of having the most satisfied customers among key financial service providers. Nykredit measures customer satisfaction several times a year and receives responses from about 25,000 customers. This provides us with insight into our customers' expectations and experiences.

Customer ambassador

Since 2007, Nykredit has had a customer ambassador. The customer ambassador's objective is to ensure that the complaints of any dissatisfied customers are handled fairly.

Customers

Number of customers

1000s	2013	2014	2015
Number of customers	1,093	1,075	1,065
- Of which personal customers	420	412	398
- Of which commercial customers	74	74	73
- Of which Totalkredit customers	627	615	617
- Of which "double customers"*	-28	-26	-23

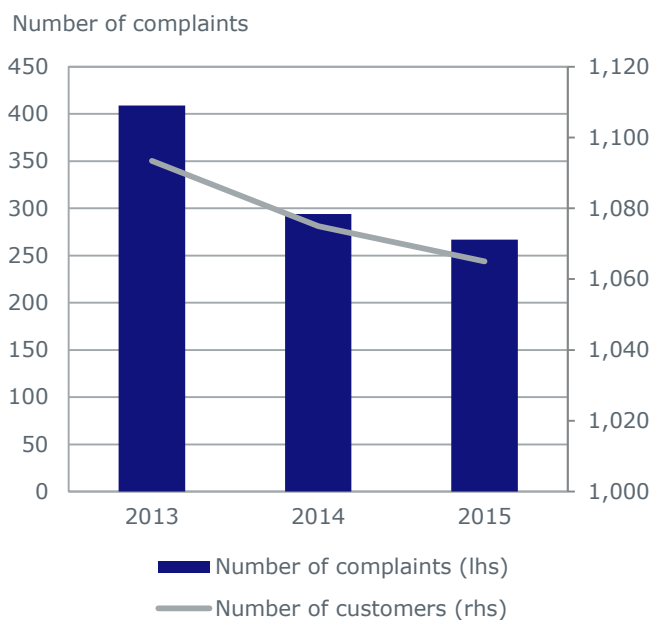
*Number of customers who are customers of both Nykredit and Totalkredit

Electronic customers

1000s	2013	2014	2015
Hits at nykredit.dk	11,044	9,865	10,356
Online calculations	1,285	1,003	1,061
Video conferences with advisers	0.0	2.2	3.4
Webdesk calls	-	33	27
Downloads of mobile apps	85	85	57

Customer satisfaction

	2013	2014	2015
Personal customers, (EPSI 1-100)	72	72	70
Corporate customers, (EPSI 1-100)	64	65	66
Number of complaints	409	294	267



Sustainable investments

Nykredit's sustainable investments policy

Financial sustainability

Nykredit's sustainable investment policy is based on the same awareness as Nykredit's business concept of "Financial Sustainability": That sustainability may be a catalyst for higher returns and lower risk. That is why Nykredit is committed to both Global Compact and UNPRI; accordingly, our investment policy not only pertains to Nykredit's investment funds, but also to the Group's investment of its own funds.

Two legs

Nykredit's policy rests on two legs. One leg is to push for a solution when a company violates national legislation, generally accepted UN conventions or Global Compact's principles. We see this as taking active ownership. The other leg is our objective to increasingly use knowledge about corporate sustainability performance (environment, social and governance criteria) in the investment process.

Screening of portfolios

Each quarter we screen all internally as well as externally managed equity, corporate and mortgage bond portfolios of Nykredit's investment funds, and Nykredit's and its subsidiaries' investment of own funds with the assistance of our investment adviser.

Active ownership

When we receive confirmed information on breach of conventions etc, we take active ownership of the relevant company in order to make it change its conduct. We may cooperate with other investors, or we may choose to cast our vote at the company's general meeting. Should the dialogue prove unsuccessful or are the company's core operations in violation of international law, we will exclude the company. If the Sustainable Investment Committee decides to exclude a company, an evaluation will be undertaken within two years of the decision in order to determine whether exclusion of the company is still warranted. Financial instruments such as financial derivative instruments and listed index-linked funds are not subject to this policy, as Nykredit does not hold shares in the companies and therefore cannot take active ownership.

Government bonds Nykredit's ambitions of sustainable investments also include government bond investments. Our investments are based on compliance with international law. Also, we believe that democracy and human rights may improve returns. Government bond investments may contribute positively to the development in a country, but this requires that investors are vigilant. Therefore, Nykredit's guidelines are based on three steps: 1. Exclusion of countries that are subject to financial transaction sanctions or sanctions against the leaders of specific countries. 2. Inclusion of democracy and human rights in the investment process. 3. The OECD country risk classification is used for continuous monitoring of investments. If a portfolio manager or an external manager wants to buy government bonds from a country in the lowest or second-lowest category of the OECD country risk classification, the portfolio manager or external manager must make a sustainability assessment of the investment. Nykredit's Sustainable Investment Committee will then decide, on the basis of the sustainability assessment, whether the investment is in compliance with Nykredit's policy. If not, the country is excluded.

Specialised products

Nykredit offers specialised products to customers that have another approach to responsible investment. As a minimum, all such products comply with Nykredit's sustainable investment policy.

Nykredit's Sustainable Investment Committee

Nykredit's Sustainable Investment Committee operates within the framework of Nykredit's sustainable investment policy. The Committee meets four times a year to decide on active ownership and exclusions and to further integrate sustainability in the investment process.

Knowledge sharing and development

Sustainable and responsible investment is not an exact science. Consequently, part of our work in the area of sustainable investment is to understand new trends and share our knowledge, which we do in UNPRI, Dansif and through the direct contact with our customers.

Sustainable investment

UNPRI - Principles for sustainable investment

Nykredit has signed up to the six UN Principles for Responsible Investment (UNPRI). The principles constitute a set of common global guidelines for responsible investor conduct.

Nykredit incorporates environmental, social and corporate governance issues into its entire investment process.

Responsible Investment Transparency Report can be found on our website:

[UNPRI report](#)

Sustainable investments in numbers

Year-end	2013	2014	2015
Number of companies screened	2,000	2,000	2,000
Number of companies subject to active ownership	23	21	21
Number of companies excluded	12	20	20
Sustainable investments, DKKbn*	241	258.5	253.8

* Total investments in respect of Nykredit's socially responsible investment policy. Includes both Nykredit's investment funds and the Group's investment of its own funds.

Corporate Governance

Corporate Governance in Nykredit

The Nykredit Group (hereinafter "Nykredit") carries on financial business through Nykredit Realkredit A/S and the wholly-owned subsidiaries Totalkredit A/S and Nykredit Bank A/S as well as the latter's wholly-owned subsidiary Nykredit Portefølje Administration A/S.

Nykredit Realkredit A/S is wholly owned by Nykredit Holding A/S, the shareholders of which are Foreningen Nykredit (89.8%), Foreningen Østifterne (3.25%), Industriens Fond (4.7%), and PRAS A/S (2.25%). The ultimate authority of Foreningen Nykredit is the Committee of Representatives, which is composed of up to 100 representatives who are elected by the borrowers and bondholders of Nykredit Realkredit A/S.

Owing to Nykredit's special ownership and corporate structure, Foreningen Nykredit, Nykredit Holding A/S and Nykredit Realkredit A/S have the same objectives and common interests.

Nykredit's shares are not listed on Nasdaq Copenhagen. Therefore, the Recommendations on Corporate Governance (hereinafter the "Recommendations"), last revised by the Committee on Corporate Governance in May 2013, are not directly applicable to Nykredit.

However, Nykredit decided already in 2002 that, given the adjustments following from the Group's special ownership and corporate structure, it should act as a listed company for external purposes, operating on sound business terms and taking into consideration the Recommendations.

The managerial code of conduct of November 2013 of the Danish Bankers Association integrate and supplement the Recommendations and apply to Nykredit Bank A/S as a bank. Nykredit has furthermore decided that all the financial companies of the Group must address and adhere to the code of conduct where relevant.

This implies that the financial companies of the Nykredit Group take into consideration both the Recommendations on Corporate Governance and the managerial code of conduct of the Danish Bankers Association and adhere to them where relevant.

To ensure suitable risk management across the Group and optimum resource utilisation, various overall objectives, policies, etc are determined at group level.

Owing to Nykredit's corporate structure, a number of decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.

The Recommendations as well as the code of conduct imply that the companies must explain how they address the recommendations, in accordance with the "comply-or-explain" principle, ie they may either comply with the Recommendations/code of conduct or opt not to comply and instead explain the reason why.

The report below is divided into a section about the Recommendations on Corporate Governance and a section about the managerial code of conduct. The report concerns all the financial companies of the Nykredit Group unless otherwise stated.

A. Report concerning Recommendations on Corporate Governance for the financial year 2015

Recommendation	Approach
<p>1.1.1. The Committee recommends that the board of directors ensure ongoing dialogue between the company and its shareholders in order for the shareholders to gain relevant insight into the company's potential and policies, and in order for the board of directors to be aware of the shareholders' views, interests and opinions on the company.</p>	<p>Nykredit complies with the recommendation. The members of the Board of Directors of Nykredit Holding A/S are appointed by the boards of directors of Foreningen Nykredit (main shareholder) and two out of the other three shareholders, and the Board of Directors of Nykredit Realkredit A/S is elected by Nykredit Holding A/S. The Board of Directors of Foreningen Nykredit is elected by and among the Committee of Representatives, which is composed of customers having loans with Nykredit Realkredit A/S, customers having loans with Totalkredit A/S who have become members of Foreningen Nykredit, customers of Nykredit Bank A/S with total facilities of at least DKK 50,000 and bondholders. It is customary at Nykredit that the members of the Board of Directors of Foreningen Nykredit are also members of the Boards of Directors of Nykredit Holding A/S and Nykredit Realkredit A/S. The small number of shareholders creates a good setting for an active dialogue between the members, owners and Group Management.</p>
<p>1.1.2. The Committee recommends that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and other investors, and that the board ensures that the interests of the shareholders are respected in accordance with company policies.</p>	<p>Nykredit complies with the recommendation. Nykredit has adopted a policy on the Group's relationship with its stakeholders. Nykredit has furthermore laid down guidelines on its conduct in relation to its stakeholders both in and outside the Group. The guidelines include information on Nykredit's business concept, values and business objectives.</p> <p>Nykredit's business concept, Financial Sustainability, describes the values which have been at the core of the Company's activities since the formation of the first mortgage association, and which remain the historical foundation of the Company. In addition, Nykredit is dedicated to strengthening the Group's relations with its stakeholders, which includes efforts to gain more insight into stakeholder demands, expectations and interaction vis-à-vis Nykredit. One way of doing this is through Nykredit's non-financial report, "Nykredit – Engaging with Society", and a CR Factbook, which are published together with the Annual Report.</p>
<p>1.1.3. The Committee recommends that the company publish quarterly reports.</p>	<p>Nykredit complies with the recommendation.</p>

Recommendation	Approach
1.2.1. The Committee recommends that, when organising the company's general meeting, the board of directors plan the meeting to support active ownership.	Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.
1.2.2. The Committee recommends that proxies granted for the general meeting allow shareholders to consider each individual item on the agenda.	Nykredit complies with the recommendation.
1.3.1. The Committee recommends that the company set up contingency procedures in the event of takeover bids from the time that the board of directors has reason to believe that a takeover bid will be made. According to such contingency procedures, the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid themselves.	Nykredit does not comply with the recommendation. The recommendation is not relevant due to the ownership structure of the Nykredit Group.
2.1.1. The Committee recommends that at least once a year the board of directors take a position on the matters related to the board's performance of its responsibilities.	Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.
2.1.2. The Committee recommends that at least once a year the board of directors take a position on the overall strategy of the company with a view to ensuring value creation in the company.	Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.
2.1.3. The Committee recommends that the board of directors ensure that the company has a capital and share structure ensuring that the strategy and long-term value creation of the company are in the best interest of the shareholders and the company, and that the board of directors pre-sents this in the management commentary on the company's annual report and/or on the company's website.	Nykredit complies with the recommendation. Nykredit has arranged its capital structure so as to comply with regulatory requirements at any time and with a view to maintaining lending activities regardless of economic trends, while retaining a competitive rating. A report is given in the Annual Report and at www.nykredit.dk .

Recommendation	Approach
2.1.4. The Committee recommends that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board on timely, accurate and adequate reporting to the board of directors.	Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.
2.1.5. The Committee recommends that at least once a year the board of directors discuss the composition of the executive board, as well as developments, risks and succession plans.	Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.
2.1.6. The Committee recommends that once a year the board of directors discuss the company's activities to ensure relevant diversity at management levels, including setting specific goals and accounting for its objectives and progress made in achieving the objectives in the management commentary on the company's annual report and/or on the website of the company.	<p>Nykredit complies with the recommendation. Nykredit has adopted a diversity policy and has set targets for the proportion of female board members and female managers at all other managerial levels.</p> <p>The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.</p> <p>The targets and current situation appear from the Annual Report, CR Factbook and the website www.nykredit.dk.</p>
2.2.1. The Committee recommends that the board of directors adopt policies on corporate social responsibility	<p>Nykredit complies with the recommendation. A policy on the corporate social responsibility of the Nykredit Group has been adopted. Nykredit's business concept describes Nykredit's stakeholder relations and Nykredit's commitment to social responsibility. In 2008 Nykredit adopted the UN Global Compact, a programme for sustainable conduct.</p> <p>Nykredit has also prepared a climate and environment strategy 2020.</p> <p>This issue is described in "Nykredit – Engaging with Society" and a CR Factbook.</p>
2.3.1. The Committee recommends appointing a vice-chairman of the board of directors who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.	Nykredit complies with the recommendation.

Recommendation	Approach
<p>2.3.2. The Committee recommends ensuring that, if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special operating activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, overall management and control function. Resolutions on the chairman's participation in day-to-day management and the expected duration hereof should be published in a company announcement.</p>	<p>Nykredit complies with the recommendation. The boards of directors of the financial subsidiary companies are composed of executive board members and executive staff of Nykredit who perform tasks for several group companies as part of their jobs.</p>
<p>3.1.1. The Committee recommends that the board of directors annually accounts for</p> <ul style="list-style-type: none"> • the skills it must have to best perform its tasks, • the composition of the board of directors, and • the special skills of each member. 	<p>Nykredit complies with the recommendation. The boards of directors are the supreme management bodies of the financial companies, which make decisions of a strategic and fundamental nature. The boards – and the Committee of Representatives of Foreningen Nykredit which serves as a recruitment base for the boards of directors of the Nykredit Group – are intended to be composed of a group of persons who, together, will serve the best interests of the Company with due regard for all its stakeholders.</p> <p>The boards of directors of Nykredit's financial companies should possess skills within the following areas, as well as special skills relevant to the activities of the individual company:</p> <ul style="list-style-type: none"> • Strategy • Knowledge of the mortgage and banking industry and the real estate area • Economics, finance and accounting • Capital markets, securities and funding • Politics, management and associations • Financial regulation • Corporate governance • Digitisation, IT and processes • Market conditions, customer relations and sales • Organisation/HR and processes • Credit matters. <p>The composition of the boards of directors and the special skills and experience of each board member are outlined at www.nykredit.dk and in the Management's Review in the Annual Report.</p>

Recommendation	Approach
<p>3.1.2. The Committee recommends that the selection and nomination of candidates for the board of directors be carried out through a thorough and transparent process approved by the overall board of directors. When assessing its composition and nominating new candidates, the board of directors must take into consideration the need for integration of new talent and diversity in relation to age, international experience and gender.</p>	<p>Nykredit complies with the recommendation. In addition to the professional skills mentioned in para 3.1.1, the composition and recruitment of board members take into account personal skills and diversity in terms of gender, age etc. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.</p>
<p>3.1.3. The Committee recommends that a description of the nominated candidates' qualifications, including information about the candidates'</p> <ul style="list-style-type: none"> • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises, be accompanied by the notice convening the general meeting when election of members to the board of directors is on the agenda • demanding organisational tasks, and information • about whether candidates to the board of directors are considered independent. 	<p>Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.</p>
<p>3.1.4. The Committee recommends that the company's articles of association stipulate a retirement age for members of the board of directors.</p>	<p>Nykredit does not comply with the recommendation. The articles of association of Nykredit's financial companies do not stipulate a retirement age for members of the boards of directors. In practice, a retirement age applies to the eight board members of Nykredit Realkredit A/S elected by the General Meeting, who are also members of the Board of Directors of Foreningen Nykredit, as the articles of association of Foreningen Nykredit stipulate a maximum age for election to the Committee of Representatives which implies that board members resign at the age of 66-70 years at the latest.</p>
<p>3.1.5. The Committee recommends that that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.</p>	<p>Nykredit complies with the recommendation.</p>

Recommendation

Approach

3.2.1. The Committee recommends that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests.
To be considered independent, this person may not:

- be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate,
- within the past five years, have received larger emoluments from the company/group, a subsidiary undertaking or an associate in another capacity than as member of the board of directors,
- represent the interests of a controlling shareholder,
- within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management in companies with corresponding connection) with the company, a subsidiary undertaking or an associate,
- be or within the past three years have been employed or partner at the external auditor,
- have been chief executive in a company holding cross-memberships with the company,
- have been member of the board of directors for more than 12 years, or
- have been close relatives with persons who are

Nykredit complies with the recommendation.
It is standard practice at Nykredit that the eight of the nine members of the Board of Directors of Foreningen Nykredit elected by the Committee of Representatives are also elected for the Boards of Directors of Nykredit Holding A/S and Nykredit Realkredit A/S and that the last two members of the Board of Directors of Nykredit Realkredit A/S elected by the General Meeting are also members of the Board of Directors of Nykredit Holding A/S. The majority of the members of the Board of Directors elected by the General Meeting are therefore considered independent, while three members of the Board of Directors have been so for more than 12 years and are therefore not considered independent.

The recommendation is not relevant to the wholly-owned financial subsidiaries whose boards of directors as a natural consequence of the group structure are composed of executive board members and executive staff members of Nykredit.

Formally speaking, the directors elected by the General Meeting represent the interests of controlling shareholders. However, this is a natural consequence of the shared objectives and interests of the companies, for which reason the members of the Board of Directors of Nykredit Realkredit A/S elected by the General Meeting are considered capable of acting independently of special interests.

3.3.1. The Committee recommends that each member of the board of directors assesses the expected time commitment for each function in order that the member does not take on more functions than he/she can manage satisfactorily for the company.

Nykredit complies with the recommendation.

Recommendation	Approach
<p>3.3.2. The Committee recommends that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> • the position of the relevant person, • the age and gender of the relevant person, • whether the member is considered independent, • the date of appointment to the board of directors of the member, • expiry of the current election period, • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises and • demanding organisational tasks, and • the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year. 	<p>Nykredit complies with the recommendation.</p>
<p>3.4.1. The Committee recommends that the company publish the following on the company's website:</p> <ul style="list-style-type: none"> • the terms of reference of the board committees, • the most important activities of the committees during the year, and the number of meetings held by each committee, and • the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications. 	<p>Nykredit complies with the recommendation. Nykredit has set up an Audit Board, a Remuneration Board, Nomination Board and a Risk Board. The boards are common to all companies of the Nykredit Group.</p> <p>Detailed information on the boards is available at www.nykredit.dk.</p>
<p>3.4.2. The Committee recommends that a majority of the members of a board committee be independent.</p>	<p>Nykredit partially complies with the recommendation. The majority of the members of the Audit Board and the Risk Board are independent. On the Remuneration Board and the Nomination Board, two of four members are not considered independent due to the length of their directorships.</p>
<p>3.4.3. The Committee recommends that the board of directors set up a formal audit committee composed such that</p> <ul style="list-style-type: none"> • the chairman of the board of directors is not chairman of the audit committee, and • between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market. 	<p>Nykredit complies with the recommendation.</p>

Recommendation	Approach
<p>3.4.4. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors about:</p> <ul style="list-style-type: none"> • significant accounting policies, • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in relation to the outlook for the current year. 	<p>Nykredit complies with the recommendation.</p>
<p>3.4.4. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors about:</p> <ul style="list-style-type: none"> • significant accounting policies, • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in relation to the outlook for the current year. 	<p>Nykredit complies with the recommendation.</p>
<p>3.4.6. The Committee recommends that the board of directors establish a nomination committee chaired by the chairman of the board of directors with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • describe the qualifications required by the board of directors and the executive board, and for a specific membership, state the time expected to be spent on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined, • annually assess the structure, size, composition and results of the board of directors and the executive board, as well as recommend any changes to the board of directors, • annually assess the competences, knowledge and experience of the individual members of management, and report to the board of directors in this respect, • consider proposals from relevant persons, including shareholders and members of the board of directors and the executive board for candidates for the board of directors and the executive board, and • propose an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes. 	<p>Nykredit complies with the recommendation.</p>

Recommendation	Approach
<p>3.4.7. The Committee recommends that the board of directors establish a remuneration committee with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • to recommend the remuneration policy (including the general guidelines for incentive-based remuneration) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting, • make proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensure that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and • recommend a remuneration policy applicable for the company in general. 	<p>Nykredit complies with the recommendation.</p>
<p>3.4.8. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>	<p>Nykredit complies with the recommendation.</p>
<p>3.5.1. The Committee recommends that the board of directors establish an evaluation procedure where contributions and results of the board of directors and the individual members, as well as collaboration with the executive board are annually evaluated. Significant changes deriving from the evaluation should be included in the management commentary or on the company's website.</p>	<p>Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.</p>
<p>3.5.2. The Committee recommends that in connection with preparation of the general meeting, the board of directors consider whether the number of members is appropriate in relation to the requirements of the company. This should help ensure a constructive debate and an effective decision-making process in which all members are given the opportunity to participate actively.</p>	<p>Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.</p>
<p>3.5.3. The Committee recommends that at least once every year the board of directors evaluate the work and performance of the executive board in accordance with predefined clear criteria.</p>	<p>Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.</p>
<p>3.5.4. The Committee recommends that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the board of directors and the chief executive officer and that the outcome of the evaluation be presented to the board of directors.</p>	<p>Nykredit complies with the recommendation. The decision-making and reporting processes, etc in Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries.</p>

Recommendation	Approach
<p>4.1.1. The Committee recommends that the board of directors prepare a clear and transparent remuneration policy for the board of directors and the executive board, including</p> <ul style="list-style-type: none"> • a detailed description of the components of the remuneration for members of the board of directors and the executive board, • the reasons for choosing the individual components of the remuneration, and • a description of the criteria on which the balance between the individual components of the remuneration is based. <p>The remuneration policy should be approved by the general meeting and published on the company's website.</p>	<p>Nykredit complies with the recommendation.</p> <p>Reference is made to www.nykredit.dk.</p>
<p>4.1.2. that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, • a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long terms, • there be clarity about performance criteria and measurability for award of variable components, • there be criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar year, and • an agreement be made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be misstated. 	<p>Nykredit complies with the recommendation.</p>
<p>4.1.3. The Committee recommends that remuneration of members of the board of directors does not include share options.</p>	<p>Nykredit complies with the recommendation.</p>
<p>4.1.4. The Committee recommends that if share-based remuneration is provided, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.</p>	<p>Nykredit complies with the recommendation.</p>
<p>4.1.5. The Committee recommends that agreements on termination pay-ments should not amount to more than two years' annual remuneration.</p>	<p>Nykredit complies with the recommendation.</p>
<p>4.2.1. The Committee recommends that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.</p>	<p>Nykredit complies with the recommendation.</p>

Recommendation	Approach
4.2.2. The Committee recommends that the proposed remuneration for the board of directors for the current financial year be approved by the shareholders at the general meeting.	Nykredit complies with the recommendation.
4.2.3. The Committee recommends that the total remuneration granted to each member of the board of directors and the executive board by the company and other companies in the group, including information on the most important contents of retention and retirement/resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.	Nykredit complies with the recommendation.
5.1.1. The Committee recommends that the board of directors in the management commentary review and account for the most important strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.	Nykredit complies with the recommendation.
5.2.1. The Committee recommends that the board of directors decide whether to establish a whistle-blower scheme for expedient and confidential notification of possible or suspected wrongdoing.	Nykredit complies with the recommendation. Nykredit set up a whistle-blower scheme in 2014 to counter violations of financial legislation.
5.3.1. The Committee recommends that the board of directors ensure regular dialogue and exchange of information between the auditor and the board of directors, including that the board of directors and the audit committee at least once a year meet with the auditor without the executive board present. This also applies to the internal auditor, if any.	Nykredit complies with the recommendation.
5.3.2. The Committee recommends that the audit agreement and auditors' fee be agreed between the board of directors and the auditor on the basis of a recommendation from the audit committee.	Nykredit complies with the recommendation.

Report concerning the managerial code of conduct of the Danish Bankers Association for the financial year 2015

Recommendation	Approach
GENERAL RECOMMENDATIONS	
1. The Association recommends that member companies address all recommendations of the Committee on Corporate Governance.	The recommendation is complied with. Reference is made to section A, containing the report of the Nykredit Group regarding the recommendations of the Committee on Corporate Governance.
2. The Association recommends that member companies prepare and publish a code of conduct describing the business concept and the desired conduct in respect of operation and management.	Nykredit complies with the recommendation. The companies of the Nykredit Group operate according to Nykredit's business concept and code of conduct.
RECOMMENDATIONS CONCERNING THE COMPOSITION OF THE BOARD OF DIRECTORS	
3. The Association recommends that member companies apply a specified and structured process when recruiting candidates for their boards of directors and possibly include external competences.	Nykredit complies with the recommendation.
4. The Association recommends that member companies whose articles of association stipulate that members of the board of directors may only be elected among a restricted group of persons account for the basis of such restrictions.	Nykredit complies with the recommendation. The Articles of Association of the Nykredit Group contain no such restrictions.
RECOMMENDATIONS CONCERNING TRAINING OF MEMBERS OF THE BOARD OF DIRECTORS	
5. The Association recommends that board members commence a training programme in banking as soon as possible and not later than six months after joining the board of directors unless they already possess updated and specific banking skills. The programme should reflect the size, business model and complexity of the company.	Nykredit complies with the recommendation.
6. The Association recommends that members of the board of directors regularly participate in competency development of relevance to their directorship. The subjects and scope should be adapted to the size, business model and complexity of the company.	Nykredit complies with the recommendation.
RECOMMENDATIONS CONCERNING EVALUATION OF THE BOARD OF DIRECTORS AND BOARD MEMBERS	
7. The Association recommends that each individual board member annually evaluate his or her work on the board of directors. As part of the evaluation, the board members should fill in an evaluation form that contains both managerial and banking-related topics.	Nykredit complies with the recommendation.

RECOMMENDATIONS CONCERNING COOPERATION WITH THE DAY-TO-DAY MANAGEMENT OF THE COMPANY	
8. The Association recommends that relevant specialists be involved in the cooperation with the board of directors and that they attend board meetings when particularly complex issues are discussed.	Nykredit complies with the recommendation.
9. The Association recommends that the cooperation between the executive board and the board of directors be discussed at a meeting of the board of directors at least once a year. The executive board should not be present during such discussions.	Nykredit complies with the recommendation.
OTHER RECOMMENDATIONS	
10. The Association recommends that member companies publish on their website or in a similar way a list of the attendance of board members at board and committee meetings.	Nykredit complies with the recommendation. Lists of attendance at board and committee meetings of Nykredit Realkredit A/S are published.
11. The Association recommends that member companies consider the rules on limits to directorships laid down in the Danish Financial Business Act.	Nykredit complies with the recommendation.
12. The Association recommends that member companies focus on the role of the external auditors and the quality of their services. Member companies should set forth demands as to the composition of the teams of external auditors to ensure that a team includes at least two experienced auditors with complementary skills. To be an experienced auditor, an auditor must have completed supplementary training in the field of banking and have participated in the auditing of a bank, savings bank or cooperative bank for at least three years.	Nykredit complies with the recommendation.

Environment and climate

Nykredit wants to run a sustainable and socially responsible business. We have therefore set a target for the reduction of our carbon footprint by 65% by 2020 relative to the level in 2012.

Key figures – internal consumption

	2012	2013	2014	2015	Indeks 2012-2015
CO ₂ emission per full time staff, ton*	2.64	2.40	2.43	2.11	80%
Heating per sqm, kWh	94	86	95	107	114%
Heated area, sqm	146,784	149,821	142,626	125,455	85%

*Full time staff at sept. 30th

Ressource consumption

	2012	2013	2014	2015	Indeks 2012-2015
Total energy consumption (MWh)	30,149	29,167	28,922	27,418	91%
- Of which electricity (total)	16,054	16,320	15,172	13,630	85%
- Of which electricity from renewable sources	-	-	241	303	-
- Of which heating*	14,094	12,847	13,509	13,486	96%
Energy consumption within the organization (MV)	806	780	963	1,270	158%
Energy consumption outside the organization (M)	29,343	28,387	27,958	26,148	89%

*Degree-day adjusted

**The largest part of the rise in direct energy consumption is attributable to Nykredit's generation and on-site consumption of solar

CO₂ emission (scopes)

	2012	2013	2014	2015	Indeks 2012-2015
Total CO₂ emission, ton	10,821	9,511	9,749	7,604	70%
Direct CO₂ emission (scope 1)	308	280	295	308	100%
- Of which company cars under gross salary con	143	119	147	110	77%
- Of which heating – natural gas	165	160	148	198	120%
Indirect CO₂ emission (scope 3)	8,131	7,029	7,727	6,032	74%
- Of which electricity	6,609	5,565	6,175	4,478	68%
- Of which heating from CHP plants	1,522	1,464	1,552	1,554	102%
Other indirect CO₂ emission (scope 3)	2,382	2,202	1,727	1,264	53%
- Of which by aircraft	1,191	1,135	718	493	41%
- Of which by train	52	68	68	60	115%
- Of which by own car	1,060	955	883	669	63%
- Of which by taxi	78	44	57	42	54%

The reporting period of Nykredit's Environmental and Climate Report for 2015 is from 1 October 2014 to 30 September 2015. The reporting period was chosen to allow Nykredit to report climate and environmental data at the beginning of the year.

For more details on Nykredit's climate and environmental efforts, please see Nykredit's Climate and Environmental Report 2015 and www.nykredit.dk/klima

Human Relations

Key figures

	2013	2014	2015
Average number of full-time staff*	4,052	3,971	3,709
Staff turnover	7.1%	9.5%	15.1%
Women in management	30%	31%	31%

*The average number of full-time staff, determined on the basis of the Danish ATP method, excluding Nykredit Forsikring A/S and JN Data A/S

Staff figures

	2013	2014	2015
Permanent staff, year-end	3,855	3,567	3,432
-of which part-time staff	407	404	349
Staff paid by the hour	642	574	626
New staff	209	132	285
Outflow	274	357	543
New staff as percentage of permanent staff	5.4%	3.7%	8.3%

Staff opinion survey

	2013	2014	2015
Level (0-100)			
Staff satisfaction	74	71	74
Physical workplace assessment	96	94	97

Work-life balance

	2013	2014	2015
Part-time staff	407	404	349
- of which women	373	372	318
- of which men	34	32	31
Average number of days per paid maternity	118	124	125
Number of staff on leave	413	377	371

Health

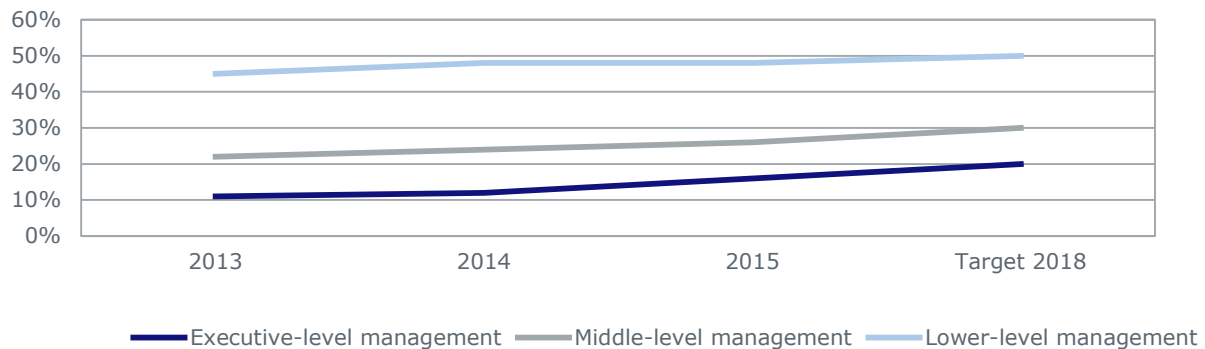
	2013	2014	2015
Number of staff participating in annual health check offer	1,976	1,580	1,245
Average days of absence because of illness	6.3	6.1	5.6

*A great part of Retail staff have postponed the annual health check from 2015 to 2016 due to an overlap of the health check and another event in Retail.

Percentage of female managers

%	2013	2014	2015	Target 2018
Executive-level management	11%	12%	16%	20%
Middle-level management	22%	24%	26%	30%
Lower-level management	45%	48%	48%	50%
Total female managers	30%	31%	31%	-

Percentage of female managers



Since 1996 Nykredit has focused on more women in management and has made an active contribution under the "Charter for more women in management" and "Operation Chain Reaction". Nykredit has set targets for the percentage of women on the boards of directors of Nykredit's financial companies and has developed a policy to raise the percentage of women at other management levels. In recent years Nykredit has recruited more female managers at the lower management levels. There is still room for improvement at the higher management levels and in some career paths. Nykredit has a structured programme to recruit more women for the top management level. The programme identifies and develops management talents at Nykredit, creating a pipeline of staff ready for their first managerial job as well as experienced management staff at executive level. The programme includes objective assessments supporting the identification of management talents with potential for the next rung on the career ladder – regardless of gender.

Nykredit's target for the percentage of female managers in executive-level management was 15% in 2015. The target was met with a percentage of 16%. Nykredit is aiming to increase this to 20% by 2018.

Nykredit's policy for women in management and other information on nykredit's efforts in this respect are available at nykredit.dk.

Female board representation

%	2013	2014	2015	Target 2017
Nykredit Realkredit	20%	20%	20%	25%
Nykredit Bank	20%	20%	20%	25%
Totalkredit	14%	22%	22%	25%

Staff receiving regular performance and career development reviews

2015, % of employees	Men	Women	Total
Management	91.0%	91.0%	91.0%
Total	91.0%	86.0%	89.0%

Note: Numbers are lower than 100% because of maternity leave, leave, illness, change of job etc.

Nykredit GRI-Index 2015

Nykredit's Global Reporting Initiative (GRI) index includes reference to relevant reports and websites dealing with the matter in question.

Annual report = Annual Report 2015, Nykredit Realkredit Group
 Fact book = Fact book 2015, Nykredit Realkredit Group
 CR-fact book = CR Fact book 2015, Nykredit Realkredit Group
 CSR-report = Nykredit - engaging with society

General standard disclosures

GRI	Disclosure	Description/Reference	External Assurance
	Strategy and Analysis		No
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Annual report, Chief Executive Officer's Statement Annual report, Organization, management and corporate responsibility CSR-report	
	Organizational profile		No
G4-3	Name of the organization.	Annual report, Company information	
G4-4	Primary brands, products, and services.	Annual report, Business Areas Website: www.Nykredit.com	
G4-5	Location of the organization's headquarters.	Annual report, Company information	
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Annual report, Business Areas	
G4-7	Nature of ownership and legal form.	Annual report, Group chart Annual report, Group entities	
G4-8	Markets served.	Annual report, Business Areas	
G4-9	Scale of the organization.	Annual report, Financial highlights Annual report, Business Areas	
G4-10	Workforce.	Annual report, Financial highlights Annual report, Note 11 CR-fact book, Human Relations	
G4-11	Percentage of total employees covered by collective bargaining agreements.	Nykredit has a collective agreement with Nykreds, a company-specific branch of the Danish Financial Services Union	
G4-12	The organization's supply chain.	CR-fact book, Sustainable investments	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Annual report, Nykredit's strategy	
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	Annual report, Organization, management and corporate responsibility	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	CR-fact book	
G4-16	Memberships of associations and national or international advocacy organizations.	CR-fact book	

	Identified Material Aspects and		No
G4-17	Entities included in the organization's consolidated financial statements and whether any entity included in the organization's consolidated financial statements is not covered by the report.	Annual report, Group chart	
G4-18	The process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content.	The material aspects were identified through internal assesment of key factors.	
G4-19	Material Aspects identified in the process for defining report content.	See the two tables below with Specific Standard Disclosures and Financial Services Sector Disclosures	
G4-20	Aspect Boundary within the organization for material aspects.	None	
G4-21	Aspect Boundary outside the organization for material aspects.	None	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	None	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None	
	Stake holder Engagement		No
G4-24	Stakeholder groups engaged by the organization.	nykredit.com	
G4-25	Basis for identification and selection of stakeholders with whom to engage.	nykredit.com nykredit.com	
G4-26	Approach to stakeholder engagement.	nykredit.com	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	nykredit.com Environment and climate policy Nykredit blog: http://weblog.nykredit.dk/ Nykredit's financial hotline	
	Report Profile		No
G4-28	Reporting period.	Calender year 2015	
G4-29	Date of most recent previous report.	Nykredit GRI-index 2015 in Nykredit CR Fact Book, Februrary 2016	
G4-30	Reporting cycle.	Annual	
G4-31	Contact point for questions regarding the report.	Corporate Communications	
G4-32	The GRI-reporting option chosen.	GRI Content Index for 'In Accordance' - Core This table, CR-factbook	
G4-33	Assurance.	No external assurance of the GRI-index.	
	Governance		No
G4-34	Governance structure of the organization.	CR-fact book, Corporate governance Annual report, Organisation and delegation of responsibilities Annual report, Corporate governance Annual report, Other information	
	Ethics and Integrity		No
G4-56	Values, principles, standards and norms of behavior.	Financial sustainability Core Values CR-fact book	

Specific standard disclosures

GRI	Material Aspects & Indicators	Reported DMA & Indicators	External Assurance
	Economic		No
G4 - DMA	Economic Performance & Community Investment	<p>It is important that Nykredit has a strong capital position so that we can provide our customers with loans – also in times of crisis.</p> <p>As a SIFI and a responsible company, Nykredit will continue to operate with a conservative capital structure, ensuring high credit ratings. Nykredit's capital policy contain a growth buffer and a buffer for regulatory changes.</p> <p>Nykredit sponsors and supports Louisiana, the Royal Danish Theatre, the National Gallery of Denmark and Copenhagen Business School.</p> <p>Nykredit possesses competencies which we make available for a number of ongoing social projects and partnerships. Nykredit is a part of Økonomisk Overblik (Financial Overview), offering independent financial advice to previously deployed soldiers who have lost their financial bearings due to personal problems. Nykredit forms part of a social partnership – Råd til livet – with the Mary Foundation, Mødrehjælpen (a private humanitarian organisation for vulnerable families with children) and Foreningen Østifterne. In addition to financial support, Nykredit also encourages staff to offer free and independent financial advice to battered women and other women at risk in the metropolitan area.</p> <p>nykredit.com</p>	
G4-EC1	Direct economic value generated and distributed. Value generated by the organization's community investment programs and breakdown of community investment by theme.	Fact book p. 7 Annual report, Financial highlights	
G4 - DMA	Indirect Economic Impacts	<p>As a large workplace and business, we play an important role in society. Nykredit strives to contribute to a stable and efficient financial market.</p> <p>We contribute to the development of Danish society by engaging in numerous non-profit activities in the areas of social projects, climate and environment, art, culture, public health, sports, etc.</p> <p>Nykredit contributes to society by conducting business in a responsible manner, enabling us to provide loans to individuals and businesses in good times as well as in more challenging times.</p>	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Fact book pp. 19-20, 23-28, 28, 30-38	

	Environmental		No
G4 - DMA	Energy	<p>The impacts on the environment are a serious challenge to society. Being one of Denmark's largest financial businesses, we share a responsibility for contributing to a long-term environmental response.</p> <p>Nykredit intends to boost internal energy efficiency by combining reductions in energy consumption with the establishment of renewable energy systems such as solar cells.</p> <p>nykredit.com nykredit.com</p>	
G4-EN6	Reduction of energy consumption	CR-fact book, Environment and climate	
G4 - DMA	Emissions	<p>Nykredit has set a climate and environment strategy up to 2020, focusing on both Nykredit's activities and a reduction of Nykredit's own CO2 emission. Nykredit is among other initiatives included in this report in the process of reducing emissions from transport. The objective of our internal efforts is to achieve an absolute reduction of 65% of Nykredit's total CO2 emission by end-2020. Transport will account for an 8% reduction and internal efficiencies and renewable energy systems for 32%.</p> <p>nykredit.com nykredit.com</p>	
G4-EN15	Direct greenhouse gas (GHG) emissions	CR-fact book, Environment and climate	
G4 - DMA	Effluents and Waste	<p>In Nykredit internal climate ambassadors serve as rolemodels for their colleagues with the aim of implementing climate friendly habits in the organization. Paper constitutes a large share of the waste in Nykredit, we are aware of this and focus using less paper in the future. Paper is recycled and internal climate ambassadors are focusing on printing less e.g. by printing duplex.</p>	
G4-EN23	Total weight of waste by type and disposal method	The paper disposal was 197.000 kilos in 2014 and has decreased slightly to 190.000 kilos in 2015.	
G4 - DMA	Products and Services	<p>In our customer-oriented activities we focus on including environmental considerations in our daily work and developing concepts, products and advisory services stimulating the environmental awareness and investments of our customers and primary stakeholders.</p> <p>nykredit.com nykredit.com</p>	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	CSR-report p. 7-8	
G4 - DMA	Supplier Environmental Assessment	<p>Nykredit focuses on purchasing sustainable products that cause the least impact on the environment from manufacturing to disposal. Ecolabels such as the Nordic Ecolabel (the Swan) and the EU Ecolabel (the Flower) are used as guides.</p>	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	CR-fact book, Sustainable investments	

GRI	Disclosure	Description/Reference	External Assurance
	Labor practices and Decent Work		No
G4 - DMA	Employment	<p>Nykredit strives to be one of the most attractive and challenging workplaces in Denmark. In Nykredit, you will become part of a large group that offers internal career paths and development opportunities. We focus on the talent of the individual and a high professional level. Together with their immediate superior, all staff members specify individual goals for their work and prepare a performance-based development plan.</p> <p>Nykredit assumes corporate social responsibility when you as a staff member have room to unfold your full potential while maintaining a work-life balance.</p> <p>nykredit.com</p>	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	CR-fact book, Human Relations	
G4 - DMA	Labor/Management Relations	<p>Nykredit has a good relationship with NYKREDS, its staff association, and Nykredit appreciates that NYKREDS seeks influence and works to ensure that staff conditions are considered in the day-to-day operations and the continuous group development. Interaction takes place at many levels: between the individual supervisor and union representative, in the local and central works councils and health and safety committees, as well as in a number of ad hoc working groups. In order to support the objective of being an attractive and challenging workplace, Nykredit has prepared a staff policy, which is being implemented through the local works councils in dialogue with NYKREDS.</p>	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Minimum 3 months notice according to the collective agreement. Changes needs approval from NYKREDS before implementation.	
G4 - DMA	Occupational Health and Safety	<p>Nykredit is focusing on health in general, as healthy staff members have higher job satisfaction, lower sick absence rates and create a good social environment.</p> <p>The annual staff health check offer forms part of a large package of health offers, including sports and exercise via Nykredit sponsorships. Eventhough the risk of robberies in Nykredit is limited due to the amount of cash handled Nykredit has guidelines for employees to follow in case of robberies. Psychological treatment is offered to employees in case of robberies.</p> <p>nykredit.com</p>	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Total workforce of Nykredit is represented	

G4 - DMA	Training and Education	<p>In 2011 new rules were introduced requiring financial companies to ensure and prove that advisers have the necessary skills to advise customers on investment products and financial instruments.</p> <p>Nykredit's compulsory training programme ensures that advisers have a high expertise and that such expertise is translated into sound advice.</p> <p>A wide range of internal and external courses and training programmes ensures continuous development of staff skills. Nykredit make an effort to spot talent and offer talent programmes for both advisers, specialists and managers.</p> <p>nykredit.com</p>	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	CR-fact book, Human Relations	
G4 - DMA	Diversity and Equal Opportunity	<p>Nykredit aims at staff diversity in terms of gender, age, ethnicity, sexual orientation and flexitime jobs. Nykredit focus on more women in management and has made an active contribution under the "Charter for more women in management" and "Operation Chain Reaction". Nykredit has set targets for the percentage of women on the boards of directors of Nykredit's financial companies and has developed a policy to raise the percentage of women at other management levels.</p> <p>nykredit.com</p>	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	CR-fact book, Human Relations	
G4 - DMA	Equal Remuneration for Women and Men	<p>Nykredit has an equal wage politic and statistics on the wage distribution is kept every year. It is Nykredit's ambition to remunerate based on competencies, effort and results independtly of gender.</p>	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	CR-fact book, Human Relations	

GRI	Disclosure	Discription/Reference	External Assurance
	Human Rights		No
G4 - DMA	Investment	<p>Nykredit is aware of the responsibility following from investments. The balance between returns and responsible investment rests on Nykredit's business concept of Financial Sustainability. Although Nykredit's customers are very diverse, they all expect the companies in which we invest to act in compliance with international law.</p> <p>Nykredit has drawn up a sustainable investments policy. The purpose of the policy is to ensure that Nykredit incorporates environmental, social and corporate governance issues into its entire investment process. We screen the companies in our portfolio for breaches of generally accepted conventions, the Global Compact principles, etc.</p> <p>nykredit.com</p>	
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Nykredit CR-fact book, Sustainable investments	
FS11	For assets under management, report if you have any screens that explicitly include human rights clauses.	<p>Nykredit's portfolios are screened twice a year to make sure that they are in accordance with the UN Global Principles for Responsible Investment. Based on the outcome, Nykredit decides which steps should be taken if a company in which it has invested does not comply with the conventions.</p> <p>nykredit.com</p>	
G4 - DMA	Non-discrimination	<p>Nykredit has adopted the UN Global Compact initiative and its 10 principles on human rights, labour standards, environment and anti-corruption. Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p> <p>Nykredit aims to be a company that accommodates staff and management of different ages and sexual orientation, of both genders and with different ethnic and religious backgrounds. Nykredit is a member of the Association New Danes (Nydansker) and also participates in o.n.e. Danmark. Nykredit supports the New Network, a partnership under which a Nykredit staff member serves as a mentor to a foreigner.</p> <p>nykredit.com</p>	

G4-HR3	Total number of incidents of discrimination and corrective actions taken	None reported	
G4 - DMA	Freedom of Association and Collective Bargaining	<p>Nykredit has adopted the UN Global Compact initiative and its 10 principles on human rights, labour standards, environment and anti-corruption. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>nykredit.com</p>	
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Number of firms excluded and subject to active ownership reported on the sustainable Investments pages in Nykredit CR-factbook.	
G4 - DMA	Supplier Human Rights Assessment	<p>Nykredit has adopted the UN Global Compact initiative and its 10 principles on human rights, labour standards, environment and anti-corruption. Businesses should support and respect the protection of internationally proclaimed human rights make sure that they are not complicit in human rights abuses.</p> <p>The procurement practice of the Nykredit Group should support the overall strategy and goals. Contracts are made in accordance with the law and in line with the policies on Corporate Social Responsibility (CSR).</p> <p>nykredit.com</p>	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	CR-fact book, Sustainable Investments	

GRI	Disclosure	Description/Reference	External Assurance
	Society		No
G4 - DMA	Local Communities	<p>To Nykredit, corporate social responsibility is far more than compliance with the letter and spirit of rules and regulations.</p> <p>There is trend towards increased migration to growth areas around the large towns and cities, hence the gap between the cities and the rest of the country is becoming more pronounced. Nykredit's raison d'être is to carry on financial business for the benefit of our customers, including to extend loans. Nykredit has initiated the New Network project that provides mentors for young non-ethnic Danes applying for work in the Danish labour market. Nykredit forms part of a social partnership – Råd til livet – with the Mary Foundation, Mødrehjælpen (a private humanitarian organisation for vulnerable families with children) and Foreningen Østifterne. In addition to financial support, Nykredit also encourages staff to offer free and independent financial advice to battered women and other women at risk in the metropolitan area.</p> <p>Nykredit sponsors and supports Louisiana, the Royal Danish Theatre, the National Gallery of Denmark and Copenhagen Business School.</p>	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	nykredit.com	
FS13	Access points in low-populated or economically disadvantaged areas by type.	<p>There are no "dark spots" on the map where Nykredit does not offer loans – we offer mortgage lending and banking services in all parts of Denmark. Also, there is no minimum loan amount. CSR-report-</p> <p>Fact book pp. 21, 24, 30, 33</p>	
G4 - DMA	Anti-corruption	<p>Nykredit's anti-corruption policy sets out the principles for Nykredit's approach to countering any form of corruption. The risk of corruption at the Nykredit Group is assessed as low, as Nykredit is a Danish-based financial services group with relatively few foreign customers and operates mainly in Scandinavia and the EU.</p> <p>nykredit.com</p>	
G4-SO4	Communication and training on anti-corruption policies and procedures	All new staff members are trained in measures to combat money laundering. All staff must follow the Nykredit Code of Conduct.	
G4 - DMA	Public Policy	Nykredit does not provide direct or indirect financial support to politicians or political parties.	
G4-SO6	Total value of political contributions by country and recipient/beneficiary	Nykredit does not provide direct or indirect financial support to politicians or political parties.	
G4 - DMA	Supplier Assessment for Impacts on Society	The procurement practice of the Nykredit Group should support the overall strategy and goals. Contracts are made in accordance with the law and in line with the policies on Corporate Social Responsibility (CSR) and environment.	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	CR-fact book, Sustainable Investments	

	Product Responsibility		No
G4 - DMA	Product and Service Labeling	<p>Nykredit wants to offer its customers the best and most competent advice in the market.</p> <p>It is important that customers have a positive experience when dealing with Nykredit. Nykredit wants to offer its customers the best and most competent advice in the market. Under Nykredit Certification, all customer-facing staff undergo a structured development programme providing them with training that goes beyond the requirements of Danish law.</p> <p>Nykredit regularly ask customers about their expectations regarding Nykredit's advisers, products and services and whether their experience matches those expectations.</p> <p>nykredit.com</p>	
G4-PR5	Results of surveys measuring customer satisfaction	CR-fact book, Customers	
G4 - DMA	Customer Privacy	<p>Security has top priority in the financial sector in general. The sector as a whole acknowledges the fact that in this area we are not competitors but have a shared interest in maintaining maximum security at national level.</p> <p>Threats are monitored closely, and cooperation across the financial sector involves internal as well as external experts. Nykredit participates actively in this sector cooperation and complies with the security rules laid down by the Danish Bankers Association for self-service solutions.</p> <p>We conduct annual penetration tests, ie an external expert attempts to hack into our systems.</p>	
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	CR-fact book, Customers CSR-report	
G4 - DMA	Compliance	Nykredit acts in compliance with laws and regulations. Under Nykredit Certification, all customer-facing staff undergo a structured development programme providing them with training that goes beyond the requirements of Danish law.	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products		

Financial Services sector disclosures

GRI	Sector Specific Aspects & Indicators	Reported DMA & Indicators	External Assurance
	Product Responsibility		No
G4 - DMA	Product Portfolio	<p>Considering Nykredit's market share of the Danish mortgage market of around 45%, future measures in the construction area will significantly impact Nykredit's activities as well as our customers' financial situation. Nykredit therefore wishes to contribute to meeting the challenges of the coming years – by providing support for the solutions needed by society as well as changing our own conduct.</p> <p>Nykredit develops concepts, products and advisory services stimulating the environmental awareness and investments of our customers and primary stakeholders.</p> <p>nykredit.com</p>	
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Fact book pp. 19-20, 22, 28, 32-36	
G4 - DMA	Audit	<p>Nykredit Realkredit A/S is subject to financial regulation, an internal audit function has been set up in the Nykredit Group.</p> <p>Nykredit Realkredit A/S has set up a joint Audit Board for all the companies within the Nykredit Group that are obliged to set up such a board. The Board of Directors and the Audit Board meet with the independent auditors at least once a year without the attendance of the Executive Board.</p> <p>nykredit.com</p>	
G4 - DMA	Active Ownership	<p>A changing society needs sound financial enterprises to foster changes and secure sustainable short and long-term financial solutions. As a market player, Nykredit's business concept is financial sustainability.</p> <p>When we receive confirmed information on breach of conventions etc, we take active ownership of the relevant company in order to make it change its conduct. We may cooperate with other investors, or we may choose to cast our vote at the company's general meeting.</p> <p>nykredit.com</p>	
FS11	Percentage of assets subject to positive and negative environmental or social screening.	CR-fact book, Sustainable investments	