

# Nykredit ESG fact sheet Q4, 2019

17.03.2020

This fact sheet provides a holistic overview of our key financial, governance, social, and environmental metrics that demonstrate Nykredit's ESG-performance. The fact sheet is updated on an ongoing basis.

Further data, information and initiatives can be found at [Nykredit.com](http://Nykredit.com). Please also see Nykredit's [Gri Reporting](#) on page 86 in Nykredit's [Corporate Responsibility Report 2019](#).

Financial data	Numbers	Note
Cost: income ratio	0.365	
Income	14,656 DKKm	
Cost	5,347 DKKm	
Impairment	994 DKKm	
Business profit	8,314 DKKm	
Tax	Tax calculated on profit for the period was 1,340 DKKm, corresponding to 15.3% of profit before tax	See Nykredit's tax policy <a href="https://www.nykredit.com/en-gb/om-os/organisation/politikker/skattepolitik">https://www.nykredit.com/en-gb/om-os/organisation/politikker/skattepolitik</a>  See Nykredit's tax payment in <a href="#">Nykredit Group Annual Report 2019</a>
Profit for the period	7,427 DKKm	
ROE	9.3%	
ROAC	10.9%	
CET1	19.5%	
Leverage Ratio	4.5%	

Read more in the [Nykredit Group Annual Report 2019](#) and the [Risk and Capital Management Report 2019](#)

## Environmental

Sustainability	Description / Meets requirement	Note
Sustainable financial initiatives	Yes	See our <a href="#">Sustainable Investments Policy</a> and find more information on our website: <a href="https://www.nykredit.com/en-gb/samfundsansvar/">https://www.nykredit.com/en-gb/samfundsansvar/</a>
Environmental policy	Yes	See our <a href="#">Responsible Climate and Environmental Policy</a>
CDP Participation	Yes	See <a href="https://www.cdp.net/en/responses/13627">https://www.cdp.net/en/responses/13627</a>
Environmental Management System	Yes	ISO 14001 standard
External certification of EMS	Yes	Force Technology has certified our EMS
GHG Reporting	Yes	See the <a href="#">Corporate Responsibility Report 2019</a> page 76
Commitment to reduce GHG	Yes, 80% reduction since 2012. New target is 5% reduction every year towards 2025	See the <a href="#">Corporate Responsibility Report 2019</a> page 45
Commitment to reduce waste	Yes, 80% of waste must be recycled by 2023. Waste per employee must be reduced to 100 kilo by 2023	See the <a href="#">Corporate Responsibility Report 2019</a> page 45
Commitment to reduce electricity	25% reduction before end of 2025	See the <a href="#">Corporate Responsibility Report 2019</a> page 45

<b>Commitment to renewable energy</b>	Yes, 100% of Nykredit's electricity comes from wind power	See the <a href="#">Corporate Responsibility Report 2019</a> page 48
<b>CO2-neutral</b>	As of January 1 2020, Nykredit is 100% carbon-neutral.  Nykredit can never become carbon neutral through the Group's own initiatives alone. Nykredit has no control of how the district heating that we use is generated, and we cannot completely eliminate emissions from transport. Thus, Nykredit has decided to 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. These carbon credits have been purchased.	See the <a href="#">Corporate Responsibility Report 2019</a> page 45 for more details
<b>Green procurement policy</b>	Yes	Is part of the <a href="#">Code of conduct for suppliers</a>
<b>Sustainable/Responsible Asset Management</b>	Yes	See <a href="#">Corporate Responsibility Report 2019</a> page 38 See also Nykredit's <a href="#">ESG-analysis for Asset Management</a>
<b>Green bonds</b>	Yes, Nykredit has three green covered bonds	See our <a href="#">Green Bond Framework</a> and find more information on our website: <a href="https://www.nykredit.com/en-gb/investor-relations/debt/green-bonds/">https://www.nykredit.com/en-gb/investor-relations/debt/green-bonds/</a> Nykredit is the largest Danish issuer of green covered bonds and has of December 31 2019 disbursed DKK 5.85bn in green mortgages funded with green covered bonds, read more in the <a href="#">Corporate Responsibility Report 2019</a> page 31
<b>Sustainable financial initiatives and other green products</b>	Yes. Nykredit has the Nykredit Invest Sustainable Equity Fund and offers in addition to green mortgage loans also green car loans	Please see description of our <a href="#">green car loans</a> (in Danish only) which has more than doubled from end-2018 to end-2019, see <a href="#">Corporate Responsibility Report 2019</a> page 30
<b>Sustainable products offering</b>	Yes	All products are evaluated on sustainability, see <a href="#">Corporate Responsibility Report 2019</a> page 52
<b>Carbon Intensity Trend</b>	Yes	See <a href="#">Corporate Responsibility Report 2019</a> page 78
<b>Environmental Fines &amp; Penalties</b>	None	

Read more in the [Corporate Responsibility Report 2019](#) and [Green Bond Framework](#)

## Social

Human capital	Description / Meets requirement	Note
<b>Signatory of UN Global Compact (respect of human rights)</b>	Yes	<a href="https://www.unglobalcompact.org/what-is-gc/participants/7047-Nykredit">https://www.unglobalcompact.org/what-is-gc/participants/7047-Nykredit</a>
<b>Average no. of full-time staff</b>	3,515	See <a href="#">Corporate Responsibility Report 2019</a> page 81
<b>Staff turnover</b>	14.6%	See <a href="#">Corporate Responsibility Report 2019</a> page 81
<b>- of which voluntary</b>	9.5%	See <a href="#">Corporate Responsibility Report 2019</a> page 81
<b>% women on Board of Directors</b>	33%	See <a href="#">Corporate Responsibility Report 2019</a> page 84
<b>% women on executive level</b>	20%	See <a href="#">Corporate Responsibility Report 2019</a> page 83
<b>% women on Middle level management</b>	26%	See <a href="#">Corporate Responsibility Report 2019</a> page 83
<b>% women on lower-level management</b>	39%	See <a href="#">Corporate Responsibility Report 2019</a> page 83
<b>Paid maternity/paternity leave</b>	Yes	Up to 30 weeks maternity leave with full compensation (female). In addition four weeks parental leave (male) with full compensation
<b>Average no. of days per paid maternity/paternity leave</b>	118	See <a href="#">Corporate Responsibility Report 2019</a> page 82

<b>No. of staff on paid maternity/paternity leave</b>	298	See <a href="#">Corporate Responsibility Report 2019</a> page 82
<b>Health care insurance for staff</b>	Yes	All staff have health care coverage
<b>Staff satisfaction</b>	Yes	See results of Staff survey in <a href="#">Corporate Responsibility Report 2019</a> page 81
<b>Freedom of Association</b>	Yes	Nykredit is located exclusively in countries that protect freedom of association by law. Freedom of association is part of the Danish Constitution - and of course respected by Nykredit. Furthermore, freedom of association is part of the UN Global Compact (principle 3) which Nykredit is committed to - both the company and in our lending practices.
<b>% covered by collective bargaining agreement</b>	100% have the possibility to be covered by a membership. The rate of membership is approximately 95%	See the agreement (in Danish only) <a href="https://www.finansforbundet.dk/da/Kredse/Nykreds/Overenskomst/Documents/Nykredit_Koncernoverenskomst_17.pdf">https://www.finansforbundet.dk/da/Kredse/Nykreds/Overenskomst/Documents/Nykredit_Koncernoverenskomst_17.pdf</a> Further see <a href="#">Corporate Responsibility Report 2019</a> page 82
<b>Diversity policy</b>	Yes	In 2019 we launched new initiatives to strengthen diversity and the representation of women in management across the organisation. See <a href="#">Corporate Responsibility Report 2019</a> page 66 for detailed description of initiatives
<b>Talent programme</b>	Yes	Nykredit offers several talent programmes to ensure continuous development of its staff See <a href="#">Corporate Responsibility Report 2019</a> page 63 for description of initiatives and page 83 for an overview of number of participants in each programme
<b>Graduate programme</b>	Yes	See description of program <a href="https://www.nykredit.com/karriere/karrierevej/#graduate">https://www.nykredit.com/karriere/karrierevej/#graduate</a>
<b>Performance and career development programme</b>	Yes, 78% received regularly reviews in 2019	The numbers is lower than 100% because of maternity and other leave, illness, change of jobs etc.  See <a href="#">Corporate Responsibility Report 2019</a> page 82
<b>Remuneration policy</b>	Yes	<a href="https://www.nykredit.com/globalassets/nykredit.com/pdf/lonpolitik-2019_uk.pdf">https://www.nykredit.com/globalassets/nykredit.com/pdf/lonpolitik-2019_uk.pdf</a>
<b>Executive remuneration</b>	Please see <a href="#">Annual report 2019, page 79</a>	
<b>Human capital development commitment</b>	Yes	See <a href="#">Corporate Responsibility Report 2019</a> page 63 for description of initiatives
<b>Career management systems</b>	Yes	PS – People System

Read more in the [Corporate Responsibility Report 2019](#) and the [Risk and Capital Management Report 2019](#)

<b>Financial inclusion</b>	<b>Description / Meets requirement</b>	<b>Note</b>
<b>Access to finance in rural areas</b>	68% of new loans in rural areas are originated by Nykredit	See the <a href="#">Corporate Responsibility Report 2019</a> page 21 for more information
<b>Access to affordable housing</b>	Financing more than 5,400 public houses	See the <a href="#">Factbook 2019</a> page 58
<b>Sponsorships of communities in rural areas</b>	3.5 DKKm	See sponsorships (in Danish only) <a href="https://www.nykreditsfond.dk/uddelinger/">https://www.nykreditsfond.dk/uddelinger/</a>
<b>Loans to the agricultural sector</b>	88.5 DKKbn	Read more in the <a href="#">Factbook 2019</a> page 58
<b>Loans to senior citizens</b>	127,932 (108.6 DKKbn), hereof 20,184 new loans in 2019	Read more in the <a href="#">Corporate Responsibility Report 2019</a> page 72
<b>Loans to citizens under 30 years old</b>	41,441 (54.8 DKKbn), hereof 19,594 new loans in 2019	Read more in the <a href="#">Corporate Responsibility Report 2019</a> page 72
<b>Partner of PengeUge – program for financial education on primary schools</b>	Yes, 51 advisors signed up for 2020	Read more about PengeUge (in Danish only) <a href="https://www.pengeuge.dk/Pages/For-side.aspx">https://www.pengeuge.dk/Pages/For-side.aspx</a>
<b>Accounts for homeless</b>	Yes	See description (in Danish only)

<https://www.nykredit.dk/dit-liv/bolig/nyheder-om-bolig--og-privat-okonomi/2017/12/nykredit-klar-med-kontitil-hjemlose/>

Read more in the [Corporate Responsibility Report 2019](#)

Responsibility	Description / Meets requirement	Note
Responsibility policy	Yes	(In Danish only) <a href="https://www.nykredit.com/siteassets/om-os/politik-for-samfundsansvar--november-2019.pdf">https://www.nykredit.com/siteassets/om-os/politik-for-samfundsansvar--november-2019.pdf</a>
Corporate Responsibility Board	Yes	The Board of Directors constitutes the Corporate Responsibility Board
Unit dedicated to Responsibility	Yes	Department for Public Affairs and Responsibility, contact ul@nykredit.dk
Code of conduct for suppliers	Yes	See our <a href="#">Code of Conduct</a> for suppliers. Nykredit's Supplier Code of Conduct requires our suppliers to live up to the standards laid down in ISO 26000 and the UN Global Compact in respect of human rights, the environment, labour rights and ethics. We reserve the right to check that our suppliers comply with our Code of Conduct – and if not, we are entitled to terminate the contract.
UN PRI signatory	Yes	See <a href="#">UN PRI Transparency Report 2019 and Assessment Report 2019</a>
Commitment to UN Sustainable Development Goals	Yes	See <a href="#">Corporate Responsibility Report 2019</a> page 15
Responsible Investment Policy	Yes	<a href="https://www.nykredit.com/en-gb/samfundsansvar/investments/politik-for-baredygtige-investeringer/">https://www.nykredit.com/en-gb/samfundsansvar/investments/politik-for-baredygtige-investeringer/</a>

Read more in the [Corporate Responsibility Report 2019](#)

Customer relations	Description / Meets requirement	Note
Personal customers satisfaction	72	See <a href="#">Corporate Responsibility Report 2019</a> page 80
Business customers satisfaction	63	See <a href="#">Corporate Responsibility Report 2019</a> page 80
No. of complaints	187	See <a href="#">Corporate Responsibility Report 2019</a> page 80
Policy for treatment of complaints	Yes	See <a href="#">Corporate Responsibility Report 2019</a> page 53
Customer Ambassador (Ombudsman)	Yes	See description (in Danish only) <a href="https://www.nykredit.dk/kundeservice/kundeambassador/">https://www.nykredit.dk/kundeservice/kundeambassador/</a>
Hotline for complaints	Yes	The Customer Ambassador (Ombudsman) can be reached daily between 8.30 AM and 15.30 PM CET

Read more in the [Corporate Responsibility Report 2019](#)

## Governance

Governance	Description / Meets requirement	Note
Ownership of Nykredit	78.9% of the shares in Nykredit A/S are owned by the association Forenet Kredit	An overview can be found in the <a href="#">Annual Report 2019</a> page 40
Members of Forenet Kredit	Borrowers of Totalkredit can become members of Forenet Kredit. All borrowers of Nykredit Realkredit or banking customers with a deposit or a loan of no less than DKK 50,000 with Nykredit Bank are automatically members	See <a href="https://forenetkredit.com/membership/">https://forenetkredit.com/membership/</a>
Democracy	All members of Forenet Kredit can vote for Forenet Kredit's Committee of Representatives	See <a href="https://forenetkredit.com/home/democracy/">https://forenetkredit.com/home/democracy/</a>
Controlling shareholder policy	Yes, the association Forenet Kredit	See <a href="https://forenetkredit.dk/wp-content/uploads/2017/10/Policy-for-active-ownership-FINAL.pdf">https://forenetkredit.dk/wp-content/uploads/2017/10/Policy-for-active-ownership-FINAL.pdf</a>

<b>Corporate Governance policy</b>	Yes	<a href="https://www.nykredit.com/corporategovernance">https://www.nykredit.com/corporategovernance</a>
<b>Independent Chair of the Board of Directors</b>	No, the chairman of the Board of Directors has been a member for more than 12 years	See Chair of the Board Mr. Steffen Kragh's expertise in <a href="#">the Annual Report 2019</a> , page 150
<b>Percentage of independent board members</b>	33%, 5 out of 15 of the board of Nykredit A/S	A description of the board independence can be found in <a href="#">Corporate Governance Report 2019</a> and <a href="#">Annual Report 2019</a> page 150-153
<b>Staff representatives on the Board of Directors</b>	Yes, 5 out of 15 of the board of Nykredit A/S	See <a href="https://www.nykredit.com/en-gb/om-os/organisation/bestyrelsen-i-nykredit-as/">https://www.nykredit.com/en-gb/om-os/organisation/bestyrelsen-i-nykredit-as/</a>
<b>Audit committee independence</b>	2 out of 4 members are independent	The principal tasks of the Audit Board are to inform the Board of Directors of the results of the statutory audit and to oversee the financial reporting process. In addition to this, the Audit Board oversees the effectiveness of Nykredit's internal control systems, internal audit and risk management and various other audit matters See <a href="https://www.nykredit.com/en-gb/om-os/organisation/board/audit-board/">https://www.nykredit.com/en-gb/om-os/organisation/board/audit-board/</a>
<b>Auditor</b>	Deloitte, 29 years of tenure	
<b>Remuneration Board independence</b>	1 out of 4 members are independent of the Remuneration Board	See <a href="https://www.nykredit.com/en-gb/om-os/organisation/board/remuneration-board/">https://www.nykredit.com/en-gb/om-os/organisation/board/remuneration-board/</a>  The principal tasks of the Remuneration Board are to qualify proposals for Nykredit's remuneration policy and guidelines for incentive pay and to oversee compliance thereof. Furthermore, it reviews the criteria for appointing special risk takers and assesses the Group's risks relative to the remuneration structure, which is coordinated with the Risk Board as required. Details on bonuses to risk takers as well as remuneration policy and practices are available at <a href="https://www.nykredit.com/en-gb/om-os/organisation/board/remuneration-board/">https://www.nykredit.com/en-gb/om-os/organisation/board/remuneration-board/</a>
<b>Remuneration for the Board of Directors</b>	Remuneration for the Board of Directors can be found in the <a href="#">Annual Report 2019</a> page 77	You can find a description of the remuneration in the <a href="#">Annual Report 2019</a> page 37.
<b>Expertise of the Board of Directors</b>	See resumes of the Board of Directors on <a href="https://www.nykredit.com/en-gb/om-os/organisation/bestyrelsen-i-nykredit-as/">https://www.nykredit.com/en-gb/om-os/organisation/bestyrelsen-i-nykredit-as/</a> and the <a href="#">Annual Report 2019</a> , page 150	

See also under "Human Capital" and read more in [Corporate Governance Report 2019](#) and the [Risk and Capital Management Report 2019](#)

<b>Data protection</b>	<b>Description / Meets requirement</b>	<b>Note</b>
<b>IT Security policy</b>	Yes	See the <a href="#">Risk and Capital Management Report 2019</a> page 38 for more information
<b>Data Privacy Policy</b>	Yes	See our public <a href="#">Data Privacy Policy</a> for more details.
<b>GDPR compliant</b>	Implemented	See the <a href="#">Risk and Capital Management Report 2019</a> page 40 for more information
<b>Terms for use of personal data</b>	Yes	<a href="https://www.nykredit.com/en-gb/politik/personoplysninger--bank/">https://www.nykredit.com/en-gb/politik/personoplysninger--bank/</a> (In Danish only)
<b>Secure communication channels for customers</b>	Yes	<a href="https://www.nykredit.dk/kundeservice/selvbetjening/gdpr/senddokumenter/">https://www.nykredit.dk/kundeservice/selvbetjening/gdpr/senddokumenter/</a> (in Danish only)
<b>Staff training on data privacy</b>	Yes, 97.9% of staff completed e-learning and test in 2019	Mandatory training for all staff. The numbers is lower than 100% because of maternity and other leave, illness, change of jobs etc. See <a href="#">Corporate Responsibility Report 2019</a> page 56
<b>Staff training on IT security</b>	Yes, 95% of staff completed e-learning and test in 2019	Mandatory training for all staff The numbers is lower than 100% because of maternity and other leave, illness, change of jobs etc.

See [Corporate Responsibility Report 2019](#) page 56

See the [Risk and Capital Management Report 2019](#) page 40 for more information

See the [Risk and Capital Management Report 2019](#) page 39 for more information

Read more in the [Risk and Capital Management Report 2019](#)

Risk management	Description / Meets requirement	Note
Governance for risk management	Yes	See description page 4 in <a href="#">Risk and Capital Management Report 2019</a>
Credit and loan standards	Yes	See description of credit policy, credit approval process, control etc. from page 22 in <a href="#">Risk and Capital Management Report 2019</a>
Credit risks	Yes	See description page 22 in <a href="#">Risk and Capital Management Report 2019</a>
Capital planning	Yes	See description page 12 in <a href="#">Risk and Capital Management Report 2019</a>
Liquidity planning	Yes	See description page 47 in <a href="#">Risk and Capital Management Report 2019</a> and the <a href="#">Annual report 2019</a> page 30
Market Risk planning	Yes	See description page 41 in <a href="#">Risk and Capital Management Report 2019</a>
Operational Risk planning	Yes	See description page 37 in <a href="#">Risk and Capital Management Report 2019</a>
Compliance programme	Yes	See description page 6 in <a href="#">Risk and Capital Management Report 2019</a>
Anti-money laundering policy	Yes	(in Danish only) <a href="https://www.nykredit.com/globalassets/nykredit.com/pdf/forebyggelse_hvidvask_finansiering_terrorisme_overtraedelse_finansielle_sanktioner.pdf">https://www.nykredit.com/globalassets/nykredit.com/pdf/forebyggelse_hvidvask_finansiering_terrorisme_overtraedelse_finansielle_sanktioner.pdf</a> Further description can be found in the <a href="#">Risk and Capital Management Report 2019</a> page 40
Whistleblower protection and programme	Yes	See <a href="#">Corporate Responsibility Report 2019</a> page 52
Code of Conduct	Yes	
Policy for bribery and corruption	Yes	A part of the Code of Conduct
Staff training on KYC and AML	Yes, 95.6% of Nykredit's staff have completed and passed AML certification	A description can be found in the <a href="#">Corporate Responsibility Report 2019</a> page 54
Audit of risk management	Yes	Internal Audit is responsible for testing and providing an opinion on whether Nykredit's overall risk management approach, risk management framework, business procedures and internal controls established in all material areas and risk areas have been established and are working satisfactorily
Asset Quality evaluation	Yes	A description of asset quality can be found in the <a href="#">Nykredit's Fact Book</a>
Responsible Investment Policy	Yes	<a href="https://www.nykredit.com/en-gb/samfundsansvar/investments/politik-for-baredygtige-investeringer/">https://www.nykredit.com/en-gb/samfundsansvar/investments/politik-for-baredygtige-investeringer/</a>
Member of UNEP Finance Initiative	Yes	See <a href="#">Corporate Responsibility Report 2019</a> page 88

Read more in the [Risk and Capital Management Report 2019](#), the [Corporate Responsibility Report 2019](#) and in the [Fact Book 2019](#)

Product offering	Description / Meets requirement	Note
Policy commitment on responsible products and services	Yes, and on all products are substantial information shared incl. risks. See all products (in Danish only) <a href="https://www.nykredit.dk/dit-liv/produkter/">https://www.nykredit.dk/dit-liv/produkter/</a>	Nykredit's credit policy guides the product offering, please see the <a href="#">Risk and Capital Management Report 2019</a> page 22
Managerial responsibility for responsible product offering	Yes	See <a href="#">Risk and Capital Management Report 2019</a> page 9 for a description
Impact and risk assessment of product offering	Yes, all relevant products are marked	The Products Committee, see <a href="#">Risk and Capital Management Report 2019</a> page 9

<b>Percentage of mortgages with LTV &gt; 80%</b>	1.84%	See <a href="#">the Factbook 2019</a> page 32 for more information
<b>Arrears, 75 days past due, %</b>	0.35%	See <a href="#">the Factbook 2019</a> page 29 for more information
<b>Write-offs as % of loans and advances ( in DKKm)</b>	0.02% (457 DKKm)	See <a href="#">Factbook 2019</a> page 36
<b>Repossessed properties</b>	Stock: 20 Stock, owner-occupied dwellings: 16	See <a href="#">Factbook 2019</a> page 31
<b>Forced sales</b>	556, compared to 2,357 in the whole market	See <a href="#">Factbook 2019</a> page 31
<b>Policy to assist customers facing financial difficulties</b>	Yes	Read more in the <a href="#">Risk and Capital Management Report 2019</a> page 25
<b>Certified staff on responsible products</b>	Yes	All staff with customers relations are trained and certified
<b>Remuneration for staff linked to selling of profitability of products</b>	None	
<b>High risk consumer loans</b>	None	Nykredit does not offer high risk consumer loans to costumers

Read more in the [Risk and Capital Management Report 2019](#)