

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](https://www.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 https://www.nykredit.com/en-gb/om-os/organisation/politikker/skattepolitik See Nykredit's tax payment in Nykredit Group Annual Report 2019
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 Sustainable Investments Policy and find more information on our website: https://www.nykredit.com/en-gb/samfundsansvar/
Environmental policy	Yes	See our Responsible Climate and Environmental Policy
CDP Participation	Yes	See https://www.cdp.net/en/responses/13627
Environmental Management System	Yes	ISO 14001 standard
External certification of EMS	Yes	Force Technology has certified our EMS
GHG Reporting	Yes	See the Corporate Responsibility Report 2019 page 76
Commitment to reduce GHG	Yes, we have reduced our emissions by 80% since 2012. New target is 5% reduction every year towards 2025	See the Corporate Responsibility Report 2019 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 Corporate Responsibility Report 2019 page 45
Commitment to reduce electricity	25% reduction before end of 2025 compared to 2017	See the Corporate Responsibility Report 2019 page 45

Commitment to renewable energy	Yes, 100% of Nykredit's electricity comes from wind power	See the Corporate Responsibility Report 2019 page 48
CO2-neutral	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 Corporate Responsibility Report 2019 page 45 for more details
Green procurement policy	Yes	Is part of the Code of conduct for suppliers
Sustainable/Responsible Asset Management	Yes	See Corporate Responsibility Report 2019 page 38 See also Nykredit's ESG-analysis for Asset Management
Green bonds	Yes, Nykredit has three green covered bonds	See our Green Bond Framework and find more information on our website: https://www.nykredit.com/en-gb/investor-relations/debt/green-bonds/ 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 Corporate Responsibility Report 2019 page 31
Sustainable financial initiatives and other green products	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 green car loans (in Danish only) which has more than doubled from end-2018 to end-2019, see Corporate Responsibility Report 2019 page 30
Sustainable products offering	Yes	All products are evaluated on sustainability, see Corporate Responsibility Report 2019 page 52
Carbon Intensity Trend	Yes	See Corporate Responsibility Report 2019 page 78
Environmental Fines & Penalties	None	

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

Social

Human capital	Description / Meets requirement	Note
Signatory of UN Global Compact (respect of human rights)	Yes	https://www.unglobalcompact.org/what-is-gc/participants/7047-Nykredit
Average no. of full-time staff	3,515	See Corporate Responsibility Report 2019 page 81
Staff turnover	14.6%	See Corporate Responsibility Report 2019 page 81
- of which voluntary	9.5%	See Corporate Responsibility Report 2019 page 81
% women on Board of Directors	33%	See Corporate Responsibility Report 2019 page 84
% women on executive level (% of new staff, flow target)	20% (31%, long-term target of 45%)	See Corporate Responsibility Report 2019 page 83
% women on Middle level management (% of new staff, flow target)	26% (23%, long-term target of 45%)	See Corporate Responsibility Report 2019 page 83
% women on lower-level management (% of new staff, flow target)	39% (41%, long-term target of 45%)	See Corporate Responsibility Report 2019 page 83
Paid maternity/paternity leave	Yes	Up to 30 weeks maternity leave with full compensation (female). In addition four weeks parental leave (male) with full compensation

Average no. of days per paid maternity/paternity leave	118	See Corporate Responsibility Report 2019 page 82
No. of staff on paid maternity/paternity leave	298	See Corporate Responsibility Report 2019 page 82
Health care insurance for staff	Yes	All staff have health care coverage
Staff satisfaction	Yes	See results of Staff survey in Corporate Responsibility Report 2019 page 81
Freedom of Association	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.
% covered by collective bargaining agreement	100% have the possibility to be covered by a membership. The rate of membership is approximately 95%	See the agreement (in Danish only) https://www.finansforbundet.dk/da/Kredse/Nykredits/Overenskomst/Documents/Nykredit_Koncernoverenskomst_17.pdf Further see Corporate Responsibility Report 2019 page 82
Diversity policy	Yes	In 2019 we launched new initiatives to strengthen diversity and the representation of women in management across the organisation. See Corporate Responsibility Report 2019 page 66 for detailed description of initiatives
Talent programme	Yes	Nykredit offers several talent programmes to ensure continuous development of its staff See Corporate Responsibility Report 2019 page 63 for description of initiatives and page 83 for an overview of number of participants in each programme
Graduate programme	Yes	See description of program https://www.nykredit.com/karriere/karriereveje/#graduate
Performance and career development programme	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 Corporate Responsibility Report 2019 page 82
Remuneration policy	Yes	https://www.nykredit.com/globalassets/nykredit.com/pdf/lonpolitik-2019_uk.pdf
Executive remuneration	Please see Annual report 2019, page 79	
Human capital development commitment	Yes	See Corporate Responsibility Report 2019 page 63 for description of initiatives
Career management systems	Yes	PS – People System

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

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

Accounts for homeless	Yes	See description (in Danish only) https://www.nykredit.dk/dit-liv/bolig/nyheder-om-bolig--og-privatokonomi/2017/12/nykredit-klar-med-konti-til-hjemlose/
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Read more in the [Corporate Responsibility Report 2019](#)

Responsibility	Description / Meets requirement	Note
Responsibility policy	Yes	(In Danish only) https://www.nykredit.com/siteassets/om-os/politik-for-samfundsansvar---november-2019.pdf
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 Code of Conduct 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 UN PRI Transparency Report 2019 and Assessment Report 2019
Commitment to UN Sustainable Development Goals	Yes	See Corporate Responsibility Report 2019 page 15
Responsible Investment Policy	Yes	https://www.nykredit.com/en-gb/samfundsansvar/investments/politik-for-baredygtige-investeringer/

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

Customer relations	Description / Meets requirement	Note
Personal customers satisfaction	72	See Corporate Responsibility Report 2019 page 80
Business customers satisfaction	63	See Corporate Responsibility Report 2019 page 80
No. of complaints	187	See Corporate Responsibility Report 2019 page 80
Policy for treatment of complaints	Yes	See Corporate Responsibility Report 2019 page 53
Customer Ambassador (Ombudsman)	Yes	See description (in Danish only) https://www.nykredit.dk/kundeservice/kundeambassador/
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 Annual Report 2019 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 https://forenetkredit.com/membership/
Democracy	All members of Forenet Kredit can vote for Forenet Kredit's Committee of Representatives	See https://forenetkredit.com/home/democracy/

Controlling shareholder policy	Yes, the association Forenet Kredit	See https://forenetkredit.dk/wp-content/uploads/2017/10/Policy-for-active-ownership-FINAL.pdf
Corporate Governance policy	Yes	https://www.nykredit.com/corporategovernance
Independent Chair of the Board of Directors	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 the Annual Report 2019 , page 150
Percentage of independent board members	33%, 5 out of 15 of the board of Nykredit A/S	A description of the board independence can be found in Corporate Governance Report 2019 and Annual Report 2019 page 150-153
Staff representatives on the Board of Directors	Yes, 5 out of 15 of the board of Nykredit A/S	See https://www.nykredit.com/en-gb/om-os/organisation/bestyrelsen-i-nykredit-as/
Audit committee independence	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 https://www.nykredit.com/en-gb/om-os/organisation/board/audit-board/
Auditor	Deloitte, 29 years of tenure	
Remuneration Board independence	1 out of 4 members are independent of the Remuneration Board	See https://www.nykredit.com/en-gb/om-os/organisation/board/remuneration-board/ 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 https://www.nykredit.com/en-gb/om-os/organisation/board/remuneration-board/
Remuneration for the Board of Directors	Remuneration for the Board of Directors can be found in the Annual Report 2019 page 77	You can find a description of the remuneration in the Annual Report 2019 page 37.
Expertise of the Board of Directors	See resumes of the Board of Directors on https://www.nykredit.com/en-gb/om-os/organisation/bestyrelsen-i-nykredit-as/ and the Annual Report 2019 , page 150	

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

Data protection	Description / Meets requirement	Note
IT Security policy	Yes	See the Risk and Capital Management Report 2019 page 38 for more information
Data Privacy Policy	Yes	See our public Data Privacy Policy for more details.
GDPR compliant	Implemented	See the Risk and Capital Management Report 2019 page 40 for more information
Terms for use of personal data	Yes	https://www.nykredit.com/en-gb/politik/personoplysninger---bank/ (In Danish only)
Secure communication channels for customers	Yes	https://www.nykredit.dk/kundeservice/selvbetjening/gdpr/senddokumenter/ (in Danish only)
Staff training on data privacy	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 Corporate Responsibility Report 2019 page 56
Staff training on IT security	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
Measures to prevent data security breach	Yes	See the Risk and Capital Management Report 2019 page 40 for more information
Risk assessment and audit of IT security procedures	Yes	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 Risk and Capital Management Report 2019
Credit and loan standards	Yes	See description of credit policy, credit approval process, control etc. from page 22 in Risk and Capital Management Report 2019
Credit risks	Yes	See description page 22 in Risk and Capital Management Report 2019
Capital planning	Yes	See description page 12 in Risk and Capital Management Report 2019
Liquidity planning	Yes	See description page 47 in Risk and Capital Management Report 2019 and the Annual report 2019 page 30
Market Risk planning	Yes	See description page 41 in Risk and Capital Management Report 2019
Operational Risk planning	Yes	See description page 37 in Risk and Capital Management Report 2019
Compliance programme	Yes	See description page 6 in Risk and Capital Management Report 2019
Anti-money laundering policy	Yes	(in Danish only) https://www.nykredit.com/globalassets/nykredit.com/pdf/forebyggelse_hvidvask_finansiering_terrorisme_overtraedelse_finansielle_sanktioner.pdf Further description can be found in the Risk and Capital Management Report 2019 page 40
Whistleblower protection and programme	Yes	See Corporate Responsibility Report 2019 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 Corporate Responsibility Report 2019 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 Nykredit's Fact Book
Responsible Investment Policy	Yes	https://www.nykredit.com/en-gb/samfundsansvar/investments/politik-for-baeredygtige-investeringer/
Member of UNEP Finance Initiative	Yes	See Corporate Responsibility Report 2019 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) https://www.nykredit.dk/dit-liv/produkter/	Nykredit's credit policy guides the product offering, please see the Risk and Capital Management Report 2019 page 22
Managerial responsibility for responsible product offering	Yes	See Risk and Capital Management Report 2019 page 9 for a description

Impact and risk assessment of product offering	Yes, all relevant products are marked	The Products Committee, see Risk and Capital Management Report 2019 page 9
Percentage of mortgages with LTV > 80%	1.84%	See the Factbook 2019 page 32 for more information
Arrears, 75 days past due, %	0.35%	See the Factbook 2019 page 29 for more information
Write-offs as % of loans and advances (in DKKm)	0.02% (457 DKKm)	See Factbook 2019 page 36
Reposessed properties	Stock: 20 Stock, owner-occupied dwellings: 16	See Factbook 2019 page 31
Forced sales	556, compared to 2,357 in the whole market	See Factbook 2019 page 31
Policy to assist customers facing financial difficulties	Yes	Read more in the Risk and Capital Management Report 2019 page 25
Certified staff on responsible products	Yes	All staff with customers relations are trained and certified
Remuneration for staff linked to selling of profitability of products	None	
High risk consumer loans	None	Nykredit does not offer high risk consumer loans to costumers

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