

CSR Policy

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1. Introduction

This policy describes Sydbank's approach to social responsibility and the principles for being a responsible and transparent financial services provider.

Sydbank takes its responsibility seriously. As a bank we have a great responsibility not only to our customers but also to help ensure financial stability in society and the economy in general. We contribute to financial stability by running a sound business.

As a bank we wish to be perceived as a respected, competent and decent business partner that complies with legislation in force and, from a Danish perspective, takes into consideration principles concerning responsible business activities as regards the environment, human rights and collective agreements, business ethics and anti-corruption measures.

The CSR policy is based on the Bank's business model.

2. Background

The Bank is conscious of the significant socio-economic responsibility that its role as an asset manager, securities trader, lender and payment intermediary involves and this is reflected in its policies and efforts to solve tasks as rationally as possible while observing the Bank's values. Sydbank's corporate social responsibility is business-driven and supports its core business.

Sydbank's corporate social responsibility is a concern common to all the Bank's business areas.

3. Scope

Sydbank's corporate social responsibility comprises the entire group and encompasses all employees.

4. Corporate social responsibility

Sydbank interfaces with many areas of importance to the state of society and its development.

We set standards for corporate social responsibility in our business so that we can contribute to creating a sustainable society. In addition to our immense responsibility as regards our customers, financial stability and the economy in general, we have a duty to take good care of our customers' money. As a bank, Sydbank is responsible for advising its customers about the opportunities and risks that are a result of a more dynamic and complex world.

A significant part of Sydbank's corporate social responsibility is defined in legislation and takes place in close dialogue and collaboration with public supervisory authorities. As a SIFI, Sydbank is also subject to a number of stringent requirements concerning its capital base and resilience.

Sydbank greatly respects the UN's work concerning its sustainable development goals (SDGs) and therefore we focus our efforts on making a significant contribution to reach these goals. Sydbank's business contributes naturally to several of the 17 SDGs via the Group's policies and business procedures.

Sydbank works continuously to develop and implement measures to further promote sustainable development.

Consequently financial stability is the overall focus of the Bank's CSR efforts and objectives.

The other focus areas at Sydbank are:

- anti-corruption and crime fighting
- responsible investment
- responsible employer
- environmental and climate issues
- human rights
- local engagement.

These focus areas serve as Sydbank's guidelines when setting targets and assessing risks in the area of CSR. Our CSR objectives and efforts are limited to the areas that are especially relevant for us as a bank and where our business can promote a positive development in society.

Financial stability

A stable and well-functioning banking system is an important mainstay in today's society. Sydbank has a corporate social responsibility for incorporating security and stability in its business practices, both with respect to complying with legislation and ensuring the creditworthiness of customers.

As Sydbank sees it, in order to run a large modern bank, the Bank must be able to earmark considerable resources for dialogue and interaction with supervisory authorities and for developing its systems to ensure that they live up to current requirements and expectations.

This helps to create a stable and reliable banking system, which in turn contributes to preserving financial stability in society.

Sydbank's credit activities must be consistent with its business model and the risk profile chosen.

Society needs loans and credit facilities which Sydbank provides on an informed and well-founded basis through efficient and quick decision processes.

The Bank's activities in connection with lending must be based on good advisory services. The solutions offered must help to ensure that customers' finances are transparent, healthy and sustainable. Concrete action plans are made as regards financial commitments that customers are unable to honour.

The Bank wishes to be perceived as a professional bank whose credit management is appropriate and whose impairment charges and losses are no larger than comparable banks in Denmark.

Anti-corruption and crime fighting

Sydbank supports the efforts by the authorities to fight corruption and crime. Sydbank does not wish to participate in financial transactions where doubts may be raised about the motives or business methods irrespective of whether these transactions are considered to be legal.

In addition the Bank continues to take a proactive approach to digital security and the correct processing of personal data.

Responsible investment

Sydbank exercises its corporate social responsibility in the investment area primarily by the way in which the assets of the various portfolios managed by Sydbank are invested. When planning the management of these assets, we find it important that the companies invested in comply with the UN Principles for Responsible Investment (UN PRI). This entails for instance:

- that environmental, social and corporate governance (ESG) issues are incorporated in investment decisions
- that we apply a commitment approach in relation to influencing companies invested in that do not fully live up to our expectations regarding ESG issues.

In line with its fundamental values, Sydbank does not wish to invest in companies that violate widely accepted international conventions and norms as formulated in for instance the UN Global Compact concerning businesses' positions on human rights, workers' rights, environmental issues and anti-corruption.

Responsible employer

Sydbank focuses on being a workplace with a good physical and psychosocial work environment that takes into account principles concerning responsible business activities as regards human rights and collective agreements, business ethics and anti-corruption.

Sydbank focuses efforts on women and men having equal access to management positions at the Bank. Consequently a gender balance target as regards management positions at the Bank has been set which is described in Sydbank's Policy for the Underrepresented Gender.

Sydbank wishes to ensure that in general all employees have equal access to participation and promotion in the organisation regardless of age, gender, ethnic background, religion or culture. This is the main reason why we monitor the gender balance at the Bank.

Environmental and climate issues

In terms of climate and energy Sydbank makes a concerted effort to reduce its environmental footprint.

Sydbank works systematically to minimise the energy consumption and CO₂ emissions associated with its business activities and follows the international standard, the GHG Protocol, when reporting on CO₂ emissions.

The Bank has introduced detailed monitoring of and follow-up on energy consumption at all Sydbank's premises in order to ensure ongoing energy optimisation in all its buildings. In this context the Bank aims for its energy consumption to match the best in its class.

Human rights

Employees

Sydbank focuses on diversity, non-discrimination and equal opportunities. Sydbank's employee policy describes our focus on ensuring a work environment without bullying and stress and how such situations should be handled if they arise.

Suppliers

When purchasing goods, we work together with our suppliers to ensure that the goods and services included in the Bank's value chain comply with current legislation and the principles concerning human rights, workers' rights, environmental issues and anti-corruption.

Investments

When investing on its own behalf and on behalf of customers, Sydbank is respectful of international conventions and norms. Via a business partner investments made by Sydbank are screened to ensure that there are no violations of norms or conventions.

Local engagement

Sydbank is a relationship bank. Sydbank attaches importance to establishing and developing good relationships with its customers, business partners as well as society in general. It is important to Sydbank to play an active part in the local communities where it operates. Sydbank focuses its efforts on building strong relationships with the community of which it is a part.

Sydbank's many sponsorships to enhance an active leisure life and cultural life are nurtured nationally as well as locally – not least as regards amateur associations. The Bank is actively involved in local association activities and sports activities in its market area.

Sydbank donates funds to the sponsorship fund Sydbank Fonden, which makes broad contributions to leisure life and cultural life as well as for study purposes. Moreover Sydbank supports selected charitable organisations operating in the world's poorest areas.

In addition Sydbank organises activities on an ongoing basis to help educate customers and society in general about economics and finance. The Bank also participates in the public debate on a range of economic and financial issues.

5. Responsibility and follow-up

The Board of Directors is responsible for preparing and updating this policy. On a regular basis and at least once a year the Board of Directors considers whether the policy should be updated.

Sydbank follows up on an ongoing basis the effects of the efforts made and these are reported to the Board of Directors.

The day-to-day activities concerning CSR are carried out in the Bank's business units. The Bank's CSR reporting is the responsibility of Communications & Marketing.

Sydbank's annual CSR report is available at sydbank.dk and sydbank.com. Its data is verified by an external auditor.

6. International agreements

In 2010 Sydbank signed the UN Principles for Responsible Investment (UN PRI) and consequently the Bank is committed to take into consideration its 6 principles.

Sydbank has participated in the UN Global Compact since 2020 and has therefore pledged to uphold the 10 principles of the Global Compact and to report on its compliance with the principles on an annual basis.