

Sustainability Policy

30 October 2024

1. Objective

The objective of the Sustainability Policy (the “Policy”) is to codify and communicate the approach of the Danske Bank Group (the “Group”) to managing and contributing to the sustainability transition. This transition is of significant strategic importance for the Group, as it presents both challenges and opportunities for our customers, our business, and for society. The Policy is aimed at ensuring that we manage sustainability-related opportunities, risks, and societal impacts accordingly. This includes ensuring that sustainability considerations are integrated in our own business operations as well as in our relationships with suppliers, partners and customers.

The Policy governs the approach that the Group takes towards the sustainability transition and it confirms our commitment to responsible banking and investment practices.¹ Furthermore, the Policy contributes to fulfilling regulatory obligations in relation to e.g. the Corporate Sustainability Reporting Directive (CSRD), the recommendation on corporate governance from the Danish Committee on Corporate Governance regarding corporate social responsibility, as well as voluntary sustainability commitments made by the Group as part of its participation in initiatives such as those convened by the United Nations, which are listed on our website.² Moreover, it supports the Danske Bank Group’s Purpose and Culture Commitments as stipulated in the Group Code of Conduct Policy.

The Policy functions together with several related policies and instructions (listed under Appendix B) and serves as an overarching policy connecting these interlinked elements. The Group incorporates sustainability into relevant policies, including those governing key risk types.

2. Definitions

The definitions for the terms used throughout this Policy are available in Appendix A.

3. Scope and target group

The Policy lays out the principles for managing sustainability opportunities, risks and impacts throughout the Danske Bank Group.

The Policy applies to the entire Danske Bank Group, including all regulated subsidiaries once adopted by their respective Management Body. It is, however, primarily relevant for employees who through their job function have an influence on our efforts to manage sustainability-related opportunities, risks and impacts.

¹ Information on the Danske Bank Group’s sustainability strategy is publicly available [via our website](#).

² This list is available via danskebank.com/sustainability/publications-and-policies

4. Policy content

Principle 1: We assess the importance of sustainability topics based on double materiality and in line with regulatory and scientific guidance

From a Group perspective, we assess the importance of sustainability topics based on double materiality, i.e. examining both how sustainability issues can impact our financial performance, and how our activities can impact the environment and society – positively as well as negatively. This involves using empirical data as well as engaging with stakeholders to qualify our understanding of sustainability-related opportunities, risks and impacts. We strive to base our assessments on the best available data as well as widely recognised methodologies and scientific guidance. Moreover, we seek to understand financial and societal materiality across our value chain. This includes using the framework of the European Sustainability Reporting Standards (ESRS) as part of applying a double-materiality perspective.

Principle 2: We take a strategic approach to sustainability to manage our most material commercial opportunities, business risks and societal impacts

We focus our efforts on the topics, sectors and segments that are most financially material to our business and where we have the greatest actual and/or potential societal impact. We therefore define strategic priorities for managing our most material sustainability-related opportunities, risks and impacts.

To ensure that we deliver on our strategic priorities, we set and regularly calibrate ambitions and targets within our defined sustainability agendas. Furthermore, we take stances on sectors and sustainability themes that are relevant to our business and where there are elevated financial risks and potential impacts. These stances are anchored in respective Group and business functions and processes, in accordance with applicable governance requirements, and we communicate key aspects of these stances externally via our Position Statements to ensure due transparency and accountability. To support our strategy execution and foster joint action, we also engage in voluntary sustainability initiatives and commitments that we deem to be relevant.

Principle 3: We integrate management of material sustainability-related opportunities, risks and impacts in our governance and key processes

We integrate material sustainability considerations in our governance and key processes, to ensure that we execute on our strategic priorities regarding sustainability-related opportunities, risks and impacts.

We specify how we integrate sustainability in the governing documents for the individual key processes, including in the policies listed under Appendix B. To ensure that sustainability is integrated in the way we do business, our standard approach is to manage material sustainability-related opportunities, risks and impacts through our general policies, processes and functions, rather than through stand-alone policies on specific environmental, social or governance themes.³

Our approach to this integration is rooted in regulatory requirements as well as globally recognised frameworks, principles and standards for sustainability, including those mentioned in section 1. Our approach to the management of sustainability-related opportunities, risks and impacts is differentiated across business areas, depending on the customer segment, the financial products and services we offer, the business potential, the size of the transaction, potential customer impact and the assessed risk of negative impact on ESG factors.

³ For example, material environmental, social and governance related opportunities, risks and impacts concerning credit are governed by our Credit Policy. Similarly, our Responsible Investment Policy governs our approach to integrating ESG topics in investment decisions, and our Remuneration Policy governs how we integrate sustainability-related targets into our variable remuneration.

Principle 4: We execute efficiently on our sustainability priorities through diligent monitoring and steering, supported by relevant competencies and a culture of responsible banking

We enable execution on the Group's sustainability strategy through effective monitoring and steering, including clear ownership of the respective strategy execution streams and targets as well as timely and relevant management information for the respective decision-making bodies.

We also strive to ensure that we have the right competencies and capabilities as well as a sound and responsible culture in place to deliver on our strategic sustainability priorities. We therefore conduct training activities across all levels of the organisation, with a differentiated approach according to organisational roles and functions. Furthermore, we conduct leadership training and engagement to ensure that we foster a culture of responsible banking in line with our Code of Conduct Policy.

Principle 5: We provide stakeholders with relevant information about our sustainability approach and performance through true and fair reporting and disclosures

We recognise the importance of providing transparency and clarity for establishing credibility and legitimacy within the sustainability agenda, implying a need for solid disclosures and reporting in line with regulatory requirements and stakeholder expectations. Our disclosures form the foundation for our stakeholder engagements by providing a shared understanding of our material opportunities, risks and impacts regarding sustainability.

5. Roles & responsibilities

- Danske Bank anchors the governance of sustainability at the level of the Board of Directors (BoD) and the Executive Leadership Team (ELT). The specific responsibilities of the BoD in the governance and oversight of sustainability efforts are set out in the Rules of Procedure for the BoD and the charters of the respective Group Board Committees.
- The Executive Leadership Team (ELT) endorses the Group's strategic approach to sustainability as well as the sustainability-related policies owned by the BoD. The ELT approves Group-level sustainability KPIs and targets, sustainability-related policies that it owns as well as Danske Bank's approach, position, and position statements on sustainability themes. This includes taking decisions to join or exit Group-level voluntary sustainability commitments. Such approvals by the ELT are contingent upon consultation with the BoD in cases where there are material implications for the Group. Moreover, the ELT monitors progress on the Group's strategic sustainability priorities and takes decisions relating to strategy execution in cases where such decisions cannot or should not be taken by individual units. The ELT is responsible for ensuring that double materiality assessments are conducted, and for ensuring due integration of the identified opportunities, risks and impacts in the Group's strategy, governance and key processes. Furthermore, the ELT is responsible for ensuring true and fair reporting and disclosures on sustainability.
- The roles and responsibilities of respective organisational units in relation to the key activities and deliverables governed by this Policy, including the responsibilities of all business units regarding strategy development and execution, are defined in associated instructions and business procedures.
- The Head of Group Sustainability is responsible for:
 - Facilitating development of the Group's strategic approach to sustainability in collaboration with relevant units, including impact materiality assessments, target-setting and development of recommendations regarding Danske Bank's approach, position, and position statements on sustainability.
 - Overseeing execution of the Group's sustainability strategy, including development of timely and relevant management information to enable monitoring of this execution and adherence to the Group's sustainability positions and voluntary commitments.

- Ongoing monitoring and recommendations regarding development of the Group's operating setup regarding sustainability, with a focus on ensuring clearly defined roles and responsibilities across units, including for activities relating to external sustainability reporting and disclosures, and that overall sustainability training programmes are in place to support the continued development of sustainability competencies across the Group.
- Taking a challenger role in relation to other units when it comes to their sustainability approach and performance to support the implementation of the principles set out in this Policy.

Appendix A - Definitions

The below definitions apply to the terms used throughout this Policy.

ESG	Environmental, social and governance
Position Statements	Publications outlining Danske Bank's stance on sustainability-related matters in relation to specific sectors and themes.
Responsible banking	Banking practices to align with the UN Principles for Responsible Banking.
Sustainability	In broad terms, sustainability can be understood as meeting the current needs of society without compromising the needs of future generations by keeping economic, social and environmental factors in balance.

Appendix B – Related policies and instructions

Related policies outlining how Danske Bank works with specific topics relating to sustainability include:

- Anti-Bribery and Corruption Instruction *
- Code of Conduct Policy
- Conflict of Interest Policy
- Credit Policy *
- Data Ethics Principles
- Diversity and Inclusion Policy
- Enterprise Risk Management Policy *
- Financial Crime Policy
- Procurement Policy *
- Remuneration Policy
- Responsible Investment Policy
- Societal Stakeholder Engagement Policy
- Tax Policy
- Treating Customers Fairly Policy *
- Whistleblowing Policy

* Internal documents