

Position Statement on Agriculture

November 2026

Danske Bank

1. Our approach

The agriculture sector operates within a natural system that generates multiple forms of economic, social and environmental value, and the sector is central to climate action and biodiversity preservation. As a large Nordic bank, Danske Bank has an important role to play in supporting the sector and its transition towards a low-carbon economy, in line with our three strategic sustainability focus areas:

- Supporting customers in their transition
- Ensuring a robust and resilient bank
- Managing our societal impact

This position statement explains the approach we take at Danske Bank towards the agriculture sector and how sustainability considerations are integrated across our financing services and investment products. It is intended to provide transparency regarding our role, priorities and governance in relation to this sector. Our approach takes into consideration leading climate science, regulatory developments, recognised industry practices, and internationally recognised agreements and principles, including the ILO Declaration on Fundamental Principles and Rights at Work, the Kunming-Montreal Global Biodiversity Framework, the Paris Agreement, the Partnership for Carbon Accounting Financials, the Danish Green Tripartite Agreement and the UN Guiding Principles on Business and Human Rights.

Sector background
Agriculture is fundamental to food production and food security, and a stable and resilient sector is essential for meeting the needs of a growing global population while supporting rural livelihoods and economic activity. At the same time, the sector faces significant sustainability challenges. Agriculture accounts for as much as 12% of greenhouse gas emissions[1] worldwide and around 16% of total emissions in the Nordic region[2]. Approximately 50% of the world's habitable land[3] is used for agriculture, which contributes to pressures on biodiversity, ecosystems and natural resources. Globally, social challenges in the agriculture sector include animal welfare, land use, community relations, indigenous rights as well as working condition-related challenges such as working hours, child labour, wages, forced labour, and health and safety measures. In a Nordic context, however, these areas are covered by comprehensive regulation.

The agriculture sector faces a complex, non-linear transition. In addition to causing climate- and nature-related impacts, this sector is highly dependent on ecosystem services and is also exposed to physical climate risks such as changing weather patterns, more frequent droughts, heavy precipitation and increasingly variable growing conditions. Many farms are small and medium-sized businesses that operate with limited resources to work systematically with sustainability, and this complicates availability, documentation and comparability of information. This means that we at Danske Bank can play a positive role in supporting customers in this sector with financial advice and services that can enable them to manage the transition to more sustainable business models.

[1] Climate Watch, the World Resources Institute (2023)
[2] Nordic Stocktake – Pathways to Climate Neutrality
[3] Land Use - Our World in Data

Agriculture as part of Danske Bank's business
Our lending exposure to the agriculture sector is primarily concentrated in Denmark. Between year-end 2020 and Q2 2026, agriculture's share of Danske Bank Group's total credit exposure changed from 2.3% to 1.9%. While lending to the sector represents only a small share of the Group's overall credit exposure, it accounts for a significant share of the Group's financed emissions. This makes agriculture an important focus area for our transition efforts.

In Denmark, the transition of the agriculture sector is shaped by binding national climate ambitions set by the Danish Government – and more recently by the Danish Green Tripartite Agreement[4], which provides a policy framework for reducing emissions from agriculture and for protecting and restoring natural environments. Across the other markets in which Danske Bank operates, the regulatory landscape and policy priorities for agriculture vary, reflecting different national approaches. Consequently, our engagement approach is adapted to local market conditions, regulatory requirements and transition pathways while prioritising efforts in through which we have the highest exposure and impact.

We have set a Danske Bank Group climate target to reduce the emissions intensity of our agriculture lending portfolio by 2030. The target is included in our Climate Action Plan[5] and is aligned with Danish and EU climate action plans.

[4] About the agreements on a Green Denmark – Ministry of Nature and Animal Welfare
[5] Danske Bank Climate Progress Report 2024



2. Scope

This position statement applies to the Danske Bank Group and all legal entities under its control, and it has a global scope. It covers both existing and potential new customers and applies to lending, financing services and investment products, including general corporate finance and project finance. Key terms used in this position statement are defined in section 6.

2.1. Financing services in scope
Our approach to agriculture, as stipulated in section 3.1 covering financing services, applies to all customers that derive their primary income from agricultural production associated with crops, cattle, pigs, other livestock and the letting of land for these purposes.

Segments not in scope for this position statement include the financing of letting of buildings on farms for purposes other than farming, fish farming, greenhouse nursery gardening, forestry and related business and processing, seed and feeding, and food distribution.

2.2. Investment products in scope
The approach outlined in section 3.2 covering investment products generally applies to our broadly distributed Danske Invest-, Danske Bank- and Danica-branded investment strategies in accordance with the commitments and limitations outlined in the pre-contractual disclosures of the products and applicable Instructions.

3. Danske Bank's position

This section outlines specific elements of our approach, including the key requirements, methodologies and criteria we apply to the financing services and investment products in scope.

Given the different nature of financing services and investment products related to agriculture, and the differing characteristics of the customers and companies in scope, we have developed distinct approaches to and processes for each area.

3.1. Financing services
We provide financing services to agricultural customers and integrate sustainability considerations into the credit process in accordance with applicable credit policies and instructions (see section 4 covering governance).

Our approach to our provision of financing services is described in detail in the following section but can be summarised as:

- We engage with agricultural customers to support the transition of the sector through active dialogue, advisory services and financing.
- We take a materiality-based approach that focuses our engagement efforts on larger customers that account for the most significant sustainability-related impacts, while simultaneously taking into account relevant sustainability risks and opportunities. When we assess which actions are relevant for individual customers, we take into consideration the size of the customer's operations, our credit exposure towards the customer and the geographical scope of the customer's activities.
- In cases where we do not see sufficient commitment to or progress towards addressing material sustainability risks or challenges, this may affect our future financing engagement with the customer.

3.1.1. Requirements for financing
For customers covered by this position statement, we require that, when financing agricultural properties with animal production, the production must take place in accordance with applicable environmental and animal welfare regulations. It is the responsibility of the relevant authorities to monitor compliance with these regulations. While limitations in regulatory enforcement are recognised, animal welfare is high on the political agenda – particularly in Denmark, which is expected to lead to increased focus and inspections.

However, as part of the process for providing new property financing, we obtain and review permits and approvals (e.g. environmental approvals) in cases deemed relevant. If we become aware of potential non-compliance, through customer dialogue, credit processes or external information, for example, we will seek to clarify how the customer intends to address and rectify the issue, and this will be taken into consideration when we assess whether to continue the existing engagement or to extend further credit.

3.1.2. Financing-related screening
As part of our credit process, sustainability-related impacts, risks and opportunities are systematically assessed for larger customers in our agriculture portfolio.

Screening is supported by a sector-specific ESG Risk Assessment. Based on ongoing dialogue with customers, this assessment is used to qualify credit decisions by understanding relevant climate, nature and other sustainability-related risk drivers, such as new regulation and market developments, at the customer level. The risk-based approach determines whether more detailed information is required, taking into consideration the customer's business model, scale of operations and exposure to ESG risks. Where relevant, details from the ESG Risk Assessment process must be documented in the customer's business risk profile and considered alongside other risk factors to provide a comprehensive view of risks.

Indicators used as part of the ESG Risk Assessment cover climate, nature and social impacts, risks and opportunities associated with agriculture. These indicators have been selected to reflect some of the most material sustainability-related factors for agriculture in our core markets, including the existence of credible transition plans and readiness for new regulation, which indicate how resilient and adaptable customers are to evolving climate policies, environmental standards and market demands.

Specific examples of indicators include:

- **Animal welfare:** exposure to upcoming regulation and related mitigation measures.
- **Biodiversity:** whether nature-related risks and opportunities are considered in the business model.
- **Climate mitigation measures:** planned or implemented actions (e.g. manure management, feed optimisation, land use practices, low-emission equipment).

- **CO_2e reduction investments:** actions taken to improve energy efficiency and reduce emissions.

- **Supply chain:** reliance on imported feed and associated regulatory and reputational risks.

- **Water and pollution:** use of pesticides and nitrogen and exposure to related regulations.

- **Working conditions:** ensuring fair labour practices and safe working conditions.

When screening indicates a potential sustainability-related risk, this may lead to further follow-up or escalation through existing credit governance (see section 4 covering governance).

3.1.3. Financing-related customer engagement
As part of the screening and based on the insights gained, we engage with agriculture customers through dialogue during the credit process or as part of annual customer meetings.

The purpose of engagement is to:

- support a more informed assessment and understanding of how risks may affect the customer's activities and Danske Bank's exposure;

- follow up on sustainability-related impacts, risks and opportunities identified through screening; and

- serve as a means to collect and validate information where data gaps or uncertainty exist and to contextualise results of screening at a customer level.

Where relevant, engagement outcomes may inform credit decisions, particularly where material sustainability risks or challenges remain insufficiently addressed over time.

3.2. Investment products
When customers place their trust in us to manage their assets and savings, we act in their best interest by offering investment solutions that aim to ensure competitive and long-term performance while accommodating the customers' sustainability preferences.

This section outlines our approach to agriculture in relation to the provision of investment products.

3.2.1. Agriculture-related exclusions
Agriculture is not subject to sector-wide exclusions. However, in line with our general exclusion criteria, issuers operating in agriculture-related value chains may be excluded for selected investment products or broadly where they are assessed with significant adverse environmental or social impacts or fail to meet internationally recognised standards.

This could include, where relevant:

- **Violations of international norms and standards**, including human rights, labour rights and environmental conventions.

- **Deforestation, biodiversity impacts or ecosystem degradation**, including threats to endangered species or damage to protected areas.

- **Environmental harm**, such as water pollution or other forms of significant ecological damage.

Exclusions are applied based on a case-by-case assessment of severity, scope and persistence of the identified issues and are subject to the commitments we make to our investors in relation to their selected investment strategies and products.

Agriculture-related exposure could for instance arise through investments in commodities. Within managed investment products, such exposure is governed through applicable guidelines for commodities investing.

3.2.2. Investment-related screening
Sustainability-related impacts, risks and opportunities are identified through screening integrated into investment processes in accordance with our Responsible Investment framework, including our Sustainability Risk Integration, Inclusion, Exclusion and Active Ownership Instructions. Investment teams assess sustainability factors alongside financial information to determine whether these are financially material, meaning they may affect revenues, costs, asset values or the risk/return profile of investments.

Where such risks are identified as material, they are incorporated into investment decision-making and may influence portfolio actions, including increasing, maintaining, reducing or divesting positions.

Screening may include, where relevant, factors related to climate, nature and social impacts associated with agriculture-related activities and value chains. Examples of factors assessed include:

- **Climate and emissions:** greenhouse gas emissions and transition-related risks.

- **Land use and biodiversity:** exposure to deforestation, protected areas and ecosystem impacts.

- **Social and animal welfare factors:** labour conditions, human rights and animal welfare standards.

- **Supply chains and commodities:** sourcing practices, certification and deforestation-related risks

- **Water and pollution:** water use, water stress and pollution risks.

3.2.3. Investment-related engagements
Sustainability-related impacts, risks and opportunities identified through screening may, where relevant, be addressed through active ownership, including engagement and voting, where Danske Bank exercises ownership rights.

Engagement is used to:

- obtain and validate information,

- clarify disclosures, and

- assess how issuers manage financial and sustainability-related risks and impacts.

Engagement may be undertaken by investment teams and the Responsible Investment team as part of ongoing portfolio management and investment due diligence.

Where relevant, engagement outcomes may inform investment decisions, including adjustments to portfolio weightings or, in certain cases, divestment, in line with the responsible investment framework.

4. Governance

This position statement is owned and approved by Danske Bank's Executive Leadership Team (ELT) via the Business Integrity Committee and is subject to an annual review and approval process. All requirements, exclusions and processes mentioned in this statement are anchored in Danske Bank's governing documents, including Danske Bank's Credit Policy and Responsible Investment Policy. Implementation and monitoring of the processes outlined in this position statement are embedded in Danske Bank's governance framework, including relevant policies, instructions and business procedures.

For financing services, implementation is reflected in Danske Bank's Credit Policy and its underlying instructions, including the ESG Credit Risk Instruction (Wholesale) and Credit Instruction on Agriculture.

For investment activities, implementation is undertaken in accordance with Danske Bank's Responsible Investment Policies and equivalent policies of Danica and other subsidiaries in scope of this position statement. Instructions and guidelines on inclusion, active ownership and exclusions further steer the implementation.

Where potential breaches of Danske Bank's policies and processes relating to agriculture are identified, these may be escalated internally through Danske Bank's governance structure. Escalation routes include the ELT-level All-Risk Committee, the Business Integrity Committee, the Responsible Investment Committee or specific business unit committees tasked with the oversight of the implementation of the processes outlined in this position statement.

5. Disclosures

Danske Bank provides transparency on agriculture exposures, financed emissions and related sustainability topics through multiple reporting channels. Relevant disclosures are available via danskebank.com, for example as part of the Sustainability Statement of our Annual Report and in our Investor Presentation (updated quarterly).

6. Definition of key terms

For the purpose of this position statement, the following definitions apply:

- **Climate risk:** The risk of significant negative business-related impacts due to climate change.
- **Nature risk:** The risk of significant negative business related impacts due to dependencies on, or impacts to, nature and ecosystems.
- **Transition risk:** Risks arising from societal, regulatory and economic shifts towards a low carbon and more sustainable economy.
- **Physical risk:** Risks arising from the physical impacts of climate change and nature degradation.
- **Position statement:** Public document that describes how the Danske Bank Group manages sustainability-related risks and impacts in relation to specific sectors and sustainability themes. A position statement reflects existing governance, policies and processes and serves as external communication and disclosure about these practices.