

Corporate Responsibility Reporting Principles 2017

CORPORATE RESPONSIBILITY
DANSKE BANK

The Corporate Responsibility (CR) Report 2017 covers Danske Bank Group's (the Group's) five main business units (Personal Banking, Business Banking, Corporates & Institutions, Wealth Management and Danske Bank Northern Ireland) as well as activities in our core markets (Scandinavia, the Baltic countries and Northern Ireland).

We believe that the reporting provides a fair and balanced representation of our financial, environmental and social performance.

To ensure data consistency, data have been defined and described in business procedures. Internal control procedures have been established to ensure that the data are reported according to the definitions.

DATA ON BUSINESS OPERATIONS

Data on business operations are based on financial registrations. See Annual Report 2017 for definitions.

DATA ON EMPLOYEES

Full-time employees

The number of full-time employees (FTEs), end of year, is based on information registered in Danske Bank's accounting system at the end of Q4 2017.

Women in workforce

The percentage of women in the workforce is based on information registered in Danske Bank's HR-system at the end of Q3 2017.

Women in management

The percentage of women in management is based on information registered in Danske Bank's HR-system at the end of Q3 2017.

"Management" is defined as employees with staff responsibility.

Employee turnover

Employee turnover is defined as the number of employees who retired or resigned divided by the number of employees and converted to a percentage rate. The information was retrieved from Danske Bank's HR-system and covers the entire Group. The employee turnover rate is based on information registered from Q4 2016 to Q3 2017.

Average years of service

Data on average years of service were retrieved from Danske Bank's HR- system at the end of Q3 2017.

Absence due to illness

Absence due to illness is defined as time lost due to the employee's own illness, including pregnancy-related sick leave, and occupational accidents and diseases. The rate of absence is calculated as the average number of registered days of absence per employee. Data on absence cover four quarters from Q1 2017 to Q4 2017 and cover Denmark, Norway, Sweden and Finland. The data may be underreported if employees do not register their illness.

Employee Engagement

Data on employee engagement is based on survey results from the PULSE survey covering the entire Group. The employee engagement index is based on replies to five questions in the PULSE survey: three on "Encouragement" and two on "Enablement". The scale of the employee engagement index has been changed in year 2017. Therefore, it is not possible to compare the engagement index from 2016 with the index from 2017.

DATA ON THE ENVIRONMENT

Environmental data cover the Group's operations in Denmark, Finland, Ireland, Northern Ireland, Norway, Sweden, Lithuania and India. The reporting period for the year 2017 runs from Q4 2016 to Q3 2017. Data are retrieved from the Credit 360 reporting system.

CO₂ emissions

CO₂ emissions (tonnes) are calculated on the basis of energy and paper consumption as well as data on travel by car and air. The quality of CO₂ emission factors may vary, depending on the availability of specific factors. We monitor emission factors to identify the most recent and specific ones available.

For emissions from heat consumption, we use specific emission factors from energy companies whenever possible. Otherwise, we use average emission factors for heating for the country or region.

In accordance with the market-based methodology from GHG Protocol Guidance, the emissions from electricity consumption were omitted owing to the purchase of renewable electricity certified by Guarantees by Origin and International Renewable Energy Certificates. For location-specific reporting, which is necessary for CDP reporting, we use region- or country-specific factors from either electricity companies or the International Energy Agency.

For transport by car – both employee and company cars – we use emission factors from Department of Environment, Food and Rural Affairs.

Emissions from air travel are reported directly by our travel agency, American Express, which provides data on the distance travelled and the number of trips. Emissions from paper consumption are based on average emission factors from the Department of Environment, Food and Rural Affairs.

We report GHG emissions in the CO₂-equivalent amounts. However, since the vast majority of greenhouse gases are CO₂ emissions, we have generally chosen to use the term CO₂ emissions without specifying equivalents.

For operations that do not have any measured consumption, we estimate CO₂ emissions on the basis of the average number of full-time employees provided by Group Finance from Q4 2016 to Q3 2017 and the average emissions per employee in the Group. These estimates represent 3 % of the total CO₂ emissions in 2017.

CO₂ emissions per employee

CO₂ emissions per employee (tonnes/FTE) are calculated on the basis of the total amount of CO₂ emissions (tonnes) and the average number of full-time employees provided by Group Finance from Q4 2016 to Q3 2017.

Energy consumption

Energy consumption from electricity and heat is either based on automatic data transfers from smart meters, quarterly meter readings or calculated on the basis of statements from energy companies and lessors received regularly during the year. Electricity consumption is calculated mainly on the basis of statements from energy companies, and heat consumption figures for our head offices are similarly based on actual readings by the energy companies. If no reading or statement is available, we estimate the consumption on the basis of the average electricity or heat consumption at the country unit and the floor space. Data on floor space cover all properties, including the Group's own premises and leased premises that the Group and its subsidiaries use for their own operations in various countries.

In Sweden, heat consumption is calculated on the basis of information from Boverket (energy labelling of buildings). The consumption figure is calculated on the basis of the Group's share of floor space in the various buildings in Sweden. According to this method, the heat consumption at properties without actual consumption in Finland is calculated by using the key figures for Sweden because of similar consumption patterns in the branches.

Energy consumption per employee

Energy consumption per employee (MWh/FTE) is calculated on the basis of the total energy consumption (MWh) and the average number of full-time employees provided by Group Finance from Q4 2016 to Q3 2017.

Electricity consumption

Electricity consumption is either based on automatic data transfers from smart meters, quarterly meter readings or calculated on the basis of statements from energy companies and lessors received regularly during the year. If no reading or statement is available, we estimate the consumption on the basis of the average electricity consumption at the country unit and the floor space.

Heat consumption

Heat consumption is either based on automatic data transfers from smart meters, quarterly meter readings or calculated on the basis of statements from energy companies and lessors received regularly during the year. If no reading or statement is available, we estimate the consumption on the basis of the average heat consumption at the country unit and the floor space.

In Sweden, heat consumption is calculated on the basis of information from Boverket (energy labelling of buildings). The consumption figure is calculated on the basis of the Group's share of floor space in the various buildings in Sweden. According to this method, heat consumption at properties without actual consumption in Finland is calculated by using the key figures for Sweden because of similar consumption patterns in the branches.

Road transport

Road transport includes transport in both company vehicles and employees' cars for business purposes. Transport in company cars is measured on the basis of odometer readings from drivers. Transport in employees' cars is calculated in kilometres as paid mileage allowance divided by mileage allowance payable according to current government tariffs.

Air transport

Air transport is calculated in kilometres on the basis of quarterly statements from our travel agency, American Express.

Paper consumption

Paper consumption is calculated on the basis of volumes purchased and registered in the Group's Dynamics AX system or on the basis of statements from external suppliers (only in Lithuania, India and to some extent Sweden). Paper consumption is defined as copying and printing paper, letterhead and envelopes with logos as well as printed matter (internal and external publications).