

Statement on Modern Slavery Act

DANSKE BANK GROUP
2 FEBRUARY 2018

Introduction

Danske Bank Group supports the UK Modern Slavery Act 2015 and its objective to eradicate forced labour and human trafficking. We want to be recognised as a trusted financial partner acting in accordance with our core values while taking into account internationally recognised principles for environmental protection, human and labour rights, business ethics and anti-corruption. This includes improving business practices to combat modern slavery.

In addition to the annual statement on Modern Slavery Act issued by Danske Bank Group, our subsidiary company Northern Bank Limited publishes an annual statement under the UK Modern Slavery Act which covers its local business activities.

About Danske Bank Group

Danske Bank Group is a Nordic universal bank with strong regional roots and close ties to the rest of the world. We serve close to 3 million personal, business, institutional and wealth management customers in 16 countries, and in addition to banking services, we offer life insurance, pension, mortgage credit, wealth management, real estate and leasing services and products.

Policies and commitments

We are committed to respecting human rights, and we work consistently to combat any kind of modern slavery in our business and our supply chains. International agreements lay the basis for how we conduct our business in a responsible and transparent manner. We observe and support a number of initiatives of relevance to the Modern Slavery Act:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- UN-supported Principles for Responsible Investment
- The Universal Declaration of Human Rights
- UN Environment Programme Finance Initiative
- The ILO Declaration of Fundamental Principles of Rights at Work
- The Global Framework Agreement on Human Rights and Corporation with Unions

In addition to our Responsibility Policy, we have a number of supporting policies and statements specifying our environmental, social and governance (ESG) commitments, including our Responsible Investment Policy, Credit Policy, Code of Conduct for employees, Anti-Money Laundering Policy, Supplier Code of Conduct, Whistleblower Policy and position statements on industries with high ESG risks.

Processes and procedures

We have processes and procedures in place to ensure that human rights risks are identified, assessed and addressed. They include the following:

- We screen our portfolio companies in collaboration with our screening and research partners to ensure that their conduct is in accordance with our Responsible Investment Policy and the international principles we adhere to.
- If we have reason to believe that portfolio companies do not comply with the international principles we adhere to, we engage with them – either independently or with other investors.
- When lending, we consider the purpose for which the funds will be used and check for ESG issues. We do this to ensure that our customers' conduct is in accordance with our Credit Policy and Responsibility Policy and the international principles we endorse.
- If our assessments show that continuing a customer relationship is contrary to our principles, we engage in dialogue and seek solutions in collaboration with the customer.
- When tendering new contracts, we assess suppliers to ensure they comply with our responsibility standards. We clarify our requirements in a Supplier Code of Conduct, which also states that suppliers are responsible for setting the same or comparable standards for their subcontractors.
- We have HR management procedures in all countries where we operate to ensure that all employees are recruited lawfully, and we work closely with unions in order to ensure compliance.
- To the extent it is legally acceptable, we demand permits of residence and work permits from our employees in all the countries where we operate to ensure that they live and work legally in the country in question.
- Employees can report possible wrongdoings through our whistleblower scheme.
- Our working environment management system enables us to identify cases involving working environment issues, discrimination and the like.

Training

We have several training programmes to ensure that employees adhere to our policies and procedures, including e-learning modules on compliance, anti-money laundering and whistleblowing. Every year, all employees who engage with personal customers must complete a mandatory e-learning programme entitled "Licence to Operate" that covers Know Your Customer procedures. Procurement, investment and credit employees undergo training specifically on ESG issues.

Key actions 2017

In 2017, we focused on implementing a number of the recommendations from the high-level, group-wide risk assessment conducted on the basis of the UN Guiding Principles on Business and Human Rights during the year. The assessment resulted in recommendations to expand our coverage of human rights issues in policies and procedures and to strengthen our internal knowledge and capacity regarding human rights issues – including issues related to modern slavery.

In 2017, we took the following actions relevant to the Modern Slavery Act:

- Raised internal awareness and consolidated our responsible sourcing process
- Updated our Code of Conduct where we clarify our stand on discrimination, harassment, human trafficking and any type of forced labour
- Updated our Whistleblower Policy and whistleblowing mechanism followed by an internal awareness raising campaign

- Published a position statement on agriculture clarifying how we work with screening, ESG risk analysis and engagement with our customers and portfolio companies in the industry
- Updated our position statements on arms and defence, climate change, forestry, fossil fuels and mining and metal to ensure a more comprehensive coverage of human rights risks

More insights

You can find more information on our business and conduct in our Annual Report 2017, Corporate Responsibility Report 2017 and Corporate Responsibility Fact Book 2017 as well as on our website, danskebank.com.

Approval

This statement covers the financial year 1 January 2017 to 31 December 2017.



Ole Andersen
Chairman, Board of Directors