Financial market participant Danske Bank A/S (MAES062Z21O4RZ2U7M96)

Statement on principal adverse impacts of investment decisions on sustainability factors

30 June 2025

Contents

1. SUMMARY

Sammenfatning (DK) Tiivistelmä (FI) Sammanfattning (SE) Sammendrag (NO)

Danske Bank A/S, MAES062Z21O4RZ2U7M96, ("**Danske Bank**") considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Danske Bank. This statement on principal adverse impacts on sustainability factors covers the reference period of 1 January 2024 to 31 December 2024. Principal adverse impacts are addressed through Danske Bank's managed investment products according to their materiality and type, as well as the nature and commitments of the products, and measured through mandatory and other indicators outlined in regulatory technical standards (the "**RTS**") in the Delegated Regulation (EU) 2022/1288 under the Sustainable Finance Disclosure Regulation 2019/2088 (EU) ("**SFDR**"). The principal adverse impact indicators relate to investments in both investee companies, sovereigns/supranationals and real estate assets. Danske Bank does not invest in real estate, meaning these indicators are not of relevance to this statement. Below table summarises the reported adverse impacts for year 2024. The impacts of the adverse impacts have been prioritised through the general approach applied at firm level, and strategy specific commitments. In addressing the adverse impacts, we have used a set of tools available to us as an asset manager (Inclusions, Exclusions and Active ownership). Further information on the "impacts" and "actions taken" can be found in the "Description of the principal adverse impacts on sustainability factors" of this statement.

1.1. Summary of impacts

Indicators applicable to investee companies			
Adverse Sustainability Indicator		Metric	Impact 2024
GHG Emissions	GHG emissions (1.1)	Scope 1 GHG emissions	1,525,267 tCO2e
		Scope 2 GHG emissions	424,644 tCO2e
		Scope 3 GHG emissions	30,919,302 tCO2e
		Total GHG emissions	32,869,213 tCO2e
	Carbon footprint (1.2)	Carbon footprint	463 tCO2e/m€ invested
	GHG intensity of investee companies (1.3)	GHG intensity of investee companies	1,355 tCO2e/m€ of revenue
	Exposure to companies active in the fossil fuel sector (1.4)	Share of investments in companies active in the fossil fuel sector	5% share

Indicators applicable to investee companies			
Adverse Sustainability Indicator		Metric	Impact 2024
GHG Emissions	Share of non-renewable energy consumption and production (1.5)	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Non-renewable energy consumption: 42% Non-renewable energy production: 2%
	Energy consumption intensity per high impact climate sector (1.6)	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	See page 11
	Investments in companies without carbon emission reduction initiatives (2.4)	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	36%
Biodiversity	Activities negatively affecting biodiversity-sensitive areas (1.7)	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%
Water	Emissions to water (1.8)	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 tons / m€ invested
Waste	Hazardous waste and radioactive waste ratio (1.9)	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	<1 tons / m€ invested
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (1.10)	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	<1%
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (1.11)	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	8%
	Unadjusted gender pay gap (1.12)	Average unadjusted gender pay gap of investee companies	6%
	Board gender diversity (1.13)	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	38% ratio

Indicators applicable to investee companies			
Adverse Sustainability Indicator		Metric	Impact 2024
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (1.14)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%
	Insufficient whistleblower protection (3.6)	Share of investments in entities without policies on the protection of whistleblowers	<1%
	Lack of a human rights policy (3.9)	Share of investments in entities without a human rights policy	29%
Indicators applicable to investments in sovereigns and supranationals			
Environmental	GHG intensity (1.15)	GHG intensity of investee countries	323 tCO2e / m€ of co ,
Social	Investee countries subject to social violations (1.16)	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Absolute: 67 investee countries Relative: 69%
Governance	Average corruption score (3.21)	Measure of the perceived level of public sector corruption using a quantitative indicator.	2.29 average corruption score
	Non-cooperative tax jurisdictions (3.23)	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	<1%
	Average rule of law score (3.24)	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator.	2.27 average rule of law score

2. DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

By “principal adverse impacts” (“**PAI**”) is meant the negative, material or likely to be material effects on sustainability factors caused, compounded by or directly linked to Danske Bank’s investment decisions as defined by principal adverse impact indicators. Sustainability factors include environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. Danske Bank works from the belief that by measuring and reporting the principal adverse impacts of our investments, we are better positioned to monitor and steer the overall sustainability performance of our portfolios.

Danske Bank aims to ensure that the impacts are managed in accordance with the expectations and the needs of our customers. This means that we prioritise the management of our principal adverse impacts according to their materiality and type, in line with our commitments and the strategies of the investment products that we manage. In addressing the impacts, we as an asset manager have three main tools at our disposal: 1) Inclusion of investments, 2) Exclusion of investments and 3) Active Ownership. The criteria and frameworks relating to these key processes are outlined in our Inclusion Instruction, Exclusion Instruction and Active Ownership Instruction published at: https://danskebank.com/sustainability/publications-and-policies/sustainability-related-disclosures. For further information on the prioritisation of specific impacts, see the "actions taken" in the PAI Table below.

2.1. Measured and reported principal adverse impacts

With this statement, Danske Bank reports the principal adverse impacts of our investments on sustainability factors in accordance with Article 4 of SFDR. The report covers 16 mandatory principal adverse impact indicators ("**PAI indicators**") (as set out in Table 1 of Annex I, Table 1, No. 1–16, of the RTS as well as the following six additional PAI indicators selected by Danske Bank:

- Investments in companies without carbon emission reduction initiatives (indicator 2.4)
- Insufficient whistleblower protection (indicator 3.6)
- Lack of a human rights policy (indicator 3.9)
- Average corruption score (indicator 3.21)
- Non-cooperative tax jurisdictions (indicator 3.23)
- Average rule of law score (indicator 3.24)

The PAI indicators are linked to different asset classes with some indicators only relevant for investee companies, some for sovereigns and supranationals, and some for real estate assets. The impacts are reported in the PAI Table below in the "impacts" column and are are based on averages for the year (as measured each quarter).

The reported impacts are measured on the total value of Danske Bank's assets under management (AuM) in securities and financial contracts made as part of our portfolio management activities for clients, including branches and regional activities. This includes also investments that Danske Bank is managed under delegation from subsidiaries. The scope of the AuM covered by this PAI Statement differentiates from other reports, where Danske Bank may report impacts from a consolidated Group approach or from a Danske Bank Asset Management approach, such as the Group's sustainability statement in the annual report or the Climate Progress Report. For information on the principal adverse impacts of the investment decisions on sustainability factors made by subsidiaries, reference is made to the statements individually published by Danske Invest Management A/S, Danske Invest Asset Management AS, Danske Invest Fund Management Ltd and Danica Pension, Livsforsikringsaktieselskab. The average total value of Danske Bank's AuM applied for the calculation of principal adverse impacts was in 2024 around than EUR 100 bn.

The data coverage for the individual indicators varies greatly, why the reported impacts are supplemented with information on the data coverage for the indicator against all assets in the impact column in the PAI Table. Data coverage on all eligible assets is available in the "explanation column". Information on how to understand the scale of the reported impacts is available in the "Reading Guide" for the PAI Statement which is published on: https://danskebank.com/sustainability-related-disclosures

2.2. PAI Table

Table 1: Indicators applicable to investments in investee companies (representing 80% of reported AuM)							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators							
GHG Emissions	GHG Emissions (1.1)	Scope 1 GHG emissions (tCO2e)	1,525,267	1,602,548	1,495,479	**Calculation:** GHG emissions are calculated as emissions of investee companies expressed in tons of CO2 equivalent. The calculation is done by calculating our share in the investee company in relation to enterprise value which is then multiplied with the company's emissions and aggregated for all relevant investments. **Coverage:** Data coverage is 83% of the eligible investments which means a total coverage of around 69% of all investments. **Data assumptions and quality:** Data is based on company- as well as estimated numbers from ISS ESG. Where GHG emission data was not available through reported figures and/or information received from ISS ESG no further assumptions have been applied on the data. Given the lack of company disclosures, Scope 3 GHG emissions are subject to more estimations than Scope 1 and 2. Measured by the PCAF quality score, ranging from 1-5 where 1 is the highest quality, the weighted score for issuers with data coverage was 2.8 for the Scope 3 emissions, compared to 1.4 for Scope 1 and 2. Of the Scope 3 emissions, close to 27% of the portfolio had the lowest quality score of 5. Significant uncertainties therefore exist in relation to data reliability for Scope 3, which together with high volatility impact the reported impacts. For 2024, the increase in Scope 3 emissions can partly be attributed to the transition from estimated to reported numbers, which has increased emissions, particularly from financial firms.	As a signature to the Net Zero Asset Managers initiative, Danske Bank is committed to contribute to the goals of the Paris Agreement and to achieve net zero GHG emissions by 2050. Danske Bank has published a Climate Action Plan with interim AuM carbon reduction targets for 2025 and 2030. This includes also temperature rating targets for listed equities and credits to further guide climate efforts and enhance transparency on progress towards becoming net zero. Our progress and actions taken to address these targets are reported in the Climate Progress Report for 2024 and equally adressed in the sustainability statement as part of Danske Bank's annual report, available through: https://danskebank.com/sustainability **Inclusions:** Selected investment products apply inclusion criteria set out in the Inclusion Instruction, including climate-related inclusions. Danske Bank offers a number of funds following a Paris-Aligned Benchmark (PAB) or Climate Transition Benchmark (CTB). **Active Ownership:** Active ownership activities were governed through Danske Bank's Active Ownership Instruction and the underlying Engagement Guidelines and Voting Guidelines with the activities reported in the Active Ownership Report for Danske Bank Asset Management. As reported, in 2024 more than 250 engagements have been registered as tied to the indicator on carbon footprint, more than 100 relating
		Scope 2 GHG emissions (tCO2e)	424,644	420,650	403,878		
		Scope 3 GHG emissions (tCO2e)	30,919,302	21,365,160	17,031,315		
		Total GHG emissions (tCO2e)	32,869,213	23,388,359	18,930,672		

Table 1: Indicators applicable to investments in investee companies (representing 80% of reported AuM)						
Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators						
					In the sustainability statement in the annual report for year 2024, Danske Bank decided to only report Scope 3 emissions of the highest data quality (1-2), which may have resulted in lower reported emissions in the annual report as compared to the impacts reported on GHG emissions in this statement. **Severity of impacts:** Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. The emissions occur continuously, and the probability of occurrence is to be regarded as certain. Given the effects of global warming on the environment and societies, emissions are considered severe. Given the lack of carbon capture technologies, emissions are considered irremediable.	to fossil fuel companies, and more than respectively 50 and 20 engagements in relation to GHG emissions and energy consumption intensity per high impact sector. These topcis may have been discussed in same interactions with an issuer. As part of the Climate Action Plan, Danske Bank is communicating a commitment to engage with the top 100 emitters of our portfolio by 2025. Information on the applied framework for engagements is available in our Engagement Guidelines. As of year end, there had been an outreach to more than 70 issuers covered by that target. Reference is also made to the Danske Bank Active Ownership Report for 2024 available at: https://danskebank.com/sustainability/publications-and-policies/sustainability-related-disclosures For voting, it follows from Danske Bank's Voting Guidelines that we generally support reasonable shareholder proposals relating to management of climate transition risks. **Exclusions:** The majority of the internally managed investments of Danske Bank have wide exclusions on thermal coal, tar sands and peat-fired power generation which are defined and governed under our Exclusion Instruction. Further, climate considerations are included in our proprietary Enhanced Sustainability Standard Screening. By end of 2024, 372 companies were on the thermal coal exclusion list, 53 on tar sands, and 0 companies on the one for peat-fired power generation. Under the Enhanced Sustainability Standards Screening, more than 100 companies have been excluded for having high climate change contribution and/or harmful environmental practices. In addition, certain Danske Invest Management A/S's funds managed by Danske Bank have had extended exclusions relating to fossil fuel exclusions. For companies having significantly weak performance on indicators tied to GHG emissions, pre-trade warnings
Carbon footprint (1.2)	Carbon footprint (tCO2e / m€ invested)	463	404	351	**Calculation:** Carbon footprint is calculated as the total GHG emissions (Scope 1, 2, & 3) expressed as a ratio for all investments in investee companies meaning that "per million EUR invested" is calculated by dividing the sum of emissions by total value of all investments in investee companies. **Coverage:** Data coverage is 83% of the eligible investments which means a total coverage of around 69% of all investments. **Data assumptions and quality:** Data is based on numbers from ISS ESG. Where carbon emission data was not available on an investee company through reported figures and/or information received from ISS ESG it has effectively been assumed that investee companies without data have the carbon footprint of the investee companies with data. For further information on data quality and severity of impacts see indicator 1.1.	

Table 1: Indicators applicable to investments in investee companies (representing 80% of reported AuM)							
	Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
	Climate and other environment-related indicators						
	GHG Intensity (1.3)	GHG intensity of investee companies (tCO2e/m€ of revenue)	1,355	1,075	1,052	**Calculation:** GHG intensity is calculated as the total GHG intensity (Scope 1, 2 & 3) for all investments in investee companies, by aggregating the GHG intensity of all investee companies (i.e., GHG emissions in metric tonnes per million EUR revenue), with each weighted by the relative share of the respective investment as divided against the sum of all investments in investee companies. **Coverage:** Data coverage is 83% of the eligible investments which means a total coverage of around 69% of all investments. **Data assumptions and quality:** Data is based on company- and estimated numbers from ISS ESG. Where GHG intensity data was not available on an investee company through reported figures and/or information received from ISS ESG it has effectively been assumed that investee companies without data have the GHG Intensity of the investee companies with data. For further information on data quality and severity of impacts see indicator 1.1.	have been set up for a vast part of our managed portfolios in relation to investments into these companies. **Planned actions for year 2025:** In the beginning of 2024, Danske Bank communicated a new Fossil Fuel Transition Strategy setting out our approach for investing in companies in the fossil fuel sector. Where the implementation has been initiated in 2024, Danske Bank aims to finalise the full implementation in 2025. Further information on the scope and approach of the Fossil Fuel Transition Strategy is available in Danske Bank's Position Statement on Fossil Fuels dated February 2024 and published on: https://danskebank.com/sustainability The development of the measured impacts will be further analysed and potentially addressed.
	Exposure to companies active in the fossil fuel sector (1.4)	Share of investments in companies active in the fossil fuel sector (%)	5%	5%	4%	**Calculation:** Share of investments in companies active in the fossil fuel sector is calculated as the relative share of the relevant investments as divided against all investments. **Coverage:** Data coverage is 82% of the eligible investments which means a total coverage of around 68% of all investments. **Data assumptions and quality:** Data is based on companies' business activities/operations and is subject to a low degree of estimations. Investments for which such data was not available were considered as companies without exposure to the fossil fuel sector.	

Table 1: Indicators applicable to investments in investee companies (representing 80% of reported AuM)						
Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators						
					Severity of impacts: Fossil fuel companies are the main contributors to climate change. Investee companies active in the fossil fuel sector, generally, have fossil-related activities as their core business activity and the probability of occurrence is thus regarded as certain. Given the effects of global warming on the environment and societies, fossil fuel involvement effects are considered to be severe. Given the lack of carbon capture technologies, emissions are considered irremediable.	
Share of non-renewable energy consumption and production (1.5)	Share of A) non-renewable energy consumption and B) non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (%)	A: 42% B: 2%	A: 40% B: 2%	A: 56% B: 1%	**Calculation:** The impacts are calculated by aggregating the percentage of non-renewable energy consumption and production (i.e., non-renewable energy sources divided by total energy sources) of investee companies as divided against all investments. **Coverage Consumption (A):** Data coverage is 57% of the eligible investments which means a total coverage of around 48% of all investments. **Coverage Production (B):** Data coverage is 80% of the eligible investments which means a total coverage of around 67% of all investments. **Data assumptions and quality:** Data is primarily based on company disclosures but with certain estimations applied by ISS ESG. Where data was not available on an investee company through reported figures and/or information received from ISS ESG, the weighted average percentage of non-renewable energy consumption and production of the investee companies with available data has been applied. **Severity of impacts:** Non-renewable energy consumption/production are core drivers of climate change. As companies are directly confirming their consumption/production of non-	

Table 1: Indicators applicable to investments in investee companies (representing 80% of reported AuM)						
Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators						
					renewable energy, the probability of occurrence is regarded as certain. Given the adverse effects of global warming, non-renewable energy consumption/production is considered severe. Given the lack of carbon-capture technologies, emissions are considered irremediable.	
Energy consumption intensity per high impact climate sector (1.6)	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (6) (GWh/ m€ of revenue) A: Agriculture, forestry and fishing B: Mining and quarrying C: Manufacturing D: Electricity, gas, steam and air conditioning supply E: Water supply, sewerage, waste management and remediation activities F: Construction G: Wholesale and retail trade H: Transportation and storage	A: <1 B: 1 C: <1* D: 1 E: <1 F: <1 G: <1 H : <1 L: <1	A: <1 B: 1 C: <1 D: 2 E: <1 F: <1 G: <1 H: <1 L: <1	A: <1 B: <1 C: <1 D: 2 E: <1 F: <1 G: <1 H: 1 L: 0	**Calculation:** The impacts are calculated by aggregating for each high impact climate sector (NACE Level 1) on all relevant investee companies' energy consumption intensities, with each intensity weighted by the relative share of the relevant investment against all investments in the sector. **Coverage:** Data coverage is 69% of the eligible investments which means a total coverage of around 57% of all investments. **Data assumption and quality:** Data is based on company disclosed data. There is a low degree of company disclosed numbers for this metric globally. Where data was not available on an investee company through reported figures and/or through estimates from ISS ESG no further assumptions have been applied on the data of the investee company. **One investee company has reported excessive high figures on manufacturing with significant concerns around the quality and assurance of the reported figures. For that reason, the reported impacts of that company is not included, but rather that company has been assessed on basis of the proxies developed. Including the reported figures of the company would have resulted in a total impact of 433 GWH/ m€ of revenue.* **Severity of impacts:** Companies active in high impact climate sectors generally have a higher emission profile compared to companies in other	

Table 1: Indicators applicable to investments in investee companies (representing 80% of reported AuM)							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
	Climate and other environment-related indicators						
		L: Financial and insurance activities				sectors. Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. The emissions occur continuously, and the probability of occurrence is thus to be regarded as certain. Given the effects of global warming on the environment and societies, emissions are considered severe. Given the lack of carbon capture technologies, emissions are considered irremediable.	
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (%)	0	0	<1	**Calculation:** The impacts are calculated as the share of investments in companies with activities negatively affecting biodiversity-sensitive areas as divided against all investments. **Coverage:** Data coverage is 82% of the eligible investments which means a total coverage of around 68% of all investments. **Data assumption and quality:** Data covers companies linked/identified to having caused negative impacts on biodiversity-sensitive area as identified through company reported data or assessments made by ISS ESG. Investments for which data was not available was considered as companies without activities negatively affecting biodiversity-sensitive areas. Companies causing negative impacts may not have been identified and thus reported. Further there may have been ambiguity concerning the effects causing a degree of uncertainty in the data. **Severity of impacts:** Negative impacts on biodiversity-sensitive areas carry multiple effects, including the planet's reduced capacity to sequester carbon, and harm to local wildlife and fauna (in some cases red listed). The effects are therefore to be considered severe. As the data used is based on companies that have been found to cause negative impacts on biodiversity, the probability of occurrence is to be regarded as	Danske Bank has signed up to the Partnership for Biodiversity Accounting Financials (PBAF) and the Finance for Biodiversity Pledge. Both initiatives enable us to measure, and in the long term, set concrete targets for our impact and dependencies on biodiversity. A proprietary biodiversity assessment framework has been developed to evaluate the materiality of biodiversity for our portfolios and to identify laggards. **Active Ownership:** During 2024, more than 100 engagements were registered and reported as tied to the indicator on activities negatively affecting biodiversity sensitive areas. Danske Bank has pledged to engage with 30 companies within material sectors with the highest dependency and impact on biodiversity. Information on the applied framework for engagements is available in our Engaggement Guidelines. At the end of 2024, more than 25 companies within that target have been contacted. In our Voting Guidelines we outline expectations on company reporting on biodiversity topics such as ecosystem preservation practices, natural species and protected areas, and deforestation. **Exclusions**: By end of 2024, more than 40 companies were on the Exclusion List due to activities negatively affecting biodiversity under the Enhanced Sustainability Standards Screening. This exclusion is broadly applied for investment products under

Table 1: Indicators applicable to investments in investee companies (representing 80% of reported AuM)							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators							
						certain. Certain negative biodiversity impacts can be remediated over time, but the direct and immediate effects are considered to be irremediable.	management. For companies having significantly weak performance on indicators tied to biodiversity, pre-trade warnings have been set up for a vast part of our managed portfolios in relation to investments into these companies. **Planned actions for year 2025:** We are currently developing a biodiversity platform in mDASH that will allow us to better assess companies' impacts and dependencies, which can be integrated into our investment processes. As our biodiversity engagement target concludes in 2025, we are also planning to update our targets.
Water	Emissions to water (1.8)	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (tons/m€ invested)	0	<1	<1	**Calculation:** The impacts are calculated by dividing the sum of all emissions to water (in tonnes) of our investments (in million EUR) with each investment weighted by the relative share of the respective investment as divided against the sum of all investments in investee companies. **Coverage:** Data coverage is 2% of the eligible investments which means a total coverage of around 2% of all investments. **Data assumption and quality:** Data is based on company disclosures and is subject to a low degree of estimations. Company disclosure however remains low and thus data coverage is low. The metric used is chemical oxygen demand (COD), a commonly used indicator measuring emissions to water, which should be regarded as proxy data. Investments for which data was not available was considered as companies without emissions. **Severity of impacts:** Emissions to water can flow back to the ecosystem without having been properly treated and thereby causing harm. As the data is based on company reported figures the probability of occurrence is to be regarded as	**Active Ownership:** As reported in the Active Ownership Report around 50 engagements have been registered on the topic emissions to water. In our Voting Guidelines we outline that we generally support proposals in relation to supply chain water risk and performance of water risk assessments. **Exclusions:** By end of 2024, more than 100 companies with controversies tied to harmful environmental practices were on the exclusion list under the Enhanced Sustainability Standards screening. This included in some cases companies related to water pollution. For companies having significantly weak performance on indicators tied to emissions to water pre-trade warnings have been set up for a vast part of our managed portfolios in relation to investments into these companies. **Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned.

Table 1: Indicators applicable to investments in investee companies (representing 80% of reported AuM)							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators							
						certain. The data does not capture regional requirements or how the water was treated prior to discharging. Thus, severity is regarded as medium.	
Waste	Hazardous waste and radioactive waste ratio (1.9)	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (tons/m€ invested)	<1	1	12	**Calculation:** The impacts are calculated by dividing the sum of all hazardous waste and radioactive waste (in tonnes per million EUR) of our investments with each investment weighted by the relative share of the respective investment as divided against the sum of all investments in investee companies. **Coverage:** Data coverage is 41% of the eligible investments which means a total coverage of around 34% of all investments. **Data assumption and quality:** The data used is based on company reported hazardous waste numbers, relying on companies' own definitions. Company disclosures remain low and thus data coverage is low. Investments for which data was not available were considered as not having hazardous waste / radioactive waste. Low data coverage implies that the indicator is sensitive to single investments with attributed large impacts. This is the main driver to the substantial decrease of the reported impacts from 2022 to 2023. **Severity of impacts:** Hazardous waste has properties that make it dangerous or capable of having a harmful effect on human health or the environment. As the data is based on company reported figures the probability of occurrence is to be regarded as certain. The data does not reflect whether the waste has been safely/adequately disposed/stored, why the severity is regarded as medium. In general, hazardous waste regulations require safe disposal and hence the effects are considered to be irremediable.	**Active Ownership:** As reported in the Active Ownership Report more than 20 engagements have been tied to the topic hazardous waste ratio. **Exclusions**: Pre-trade warnings have been set up for a vast part of our managed funds in relation to investments into companies having significantly weak performance on indicators tied to hazardous waste . **Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned.

Table 1: Indicators applicable to investments in investee companies (representing 80% of the reported AuM)							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (1.10)	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	<1%	<1%	<1%	**Calculation:** The impacts are calculated as the share of investments in investee companies with involvement in violations of UN Global Compact (UNGC) principles or OECD Guidelines for Multinational Enterprises as divided against all investments. **Coverage:** For the assessment of this indicator, a proxy of companies identified to be in breach through Danske Bank's Enhanced Sustainability Standards Screening has been applied. The proxy covers the full investment universe. **Data assumption and quality:** Data used for the reported impacts is based on companies that have been linked/identified to have violated the minimum social safeguards of UNGC principles and/or OECD Guidelines through Danske Bank's Enhanced Sustainability Standards Screening. As there can be companies violating UNGC principles/OECD guidelines that have not yet been identified/reported, there is a degree of uncertainty in the data. **Severity of impacts:** Companies that violate the principles/guidelines laid out in the UNGC and OECD can have negative effects across multiple environmental and social areas. Whilst the scope and nature of violations can differ, violations are in general regarded as severe. As violations concern incidents that have been reported/identified, the probability of occurrence is regarded as certain. Depending on the scope and nature of the violation, companies that have been found to violate UNGC principles and/or OECD Guidelines generally have an opportunity to remediate the situation.	Danske Bank's Group Position Statement on Human Rights outlines our approach towards the companies we invest in, emphasising respect for international standards such as the UNGC principles and the OECD Guidelines for Multinational Enterprises. The Position Statement can be accessed on: danske-bank-position-statement-human-rights.pdf (danskebank.com) Further information on firm level actions taken and processes in place, including for investments is available in the Human Rights Report 2024 for Danske Bank published at: https://danskebank.com/sustainability **Active Ownership:** During 2024, around 20 engagements have been registered with companies in relation to allegations of violations of UNGC principles and/or OECD Guidelines. **Exclusions:** By the end of 2024, more than 100 companies were identified to have significant violations of the UNGC principles and Organisation for Economic Cooperation and/or OECD Guidelines for Multinational Enterprises under the Enhanced Sustainaiblity Standards screening's exclusions. In addition, more than 200 Russian owned/affiliated companies have been excluded as a result of the Russian invasion of UkraineFor companies having significantly weak performance on indicators tied to human rights, pre-trade warnings have been set up for a vast part of our managed portfolios in relation to investments into these companies **Planned actions for year 2025:** We will continue to enhance our screenings and methodologies relating to human rights impacts and risks.

Table 1: Indicators applicable to investments in investee companies (representing 80% of the reported AuM)						
Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (1.11)	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	8%	14%	9%	**Calculation:** The impacts are calculated as the share of investments in investee companies which lack processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises as divided against all investments. **Coverage:** Data coverage is 80% of the eligible investments which means a total coverage of around 67% of all investments. **Data assumption and quality:** Data used for the reported impacts demonstrate companies that lack policies, or grievance/complaints handling mechanisms to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises. As the data is based on companies' existing policies, the data is subject to a low degree of estimations. Interpretations of what are adequate policies/grievance mechanisms may however differ. Investments for which such data was not available were considered as not lacking processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines. **Severity of impacts:** Given that data is based on companies' current disclosures, the probability of occurrence is regarded as certain. Given that companies without policies may not necessarily find themselves in non-compliance with UNGC principles/OECD Guidelines, the severity is regarded as medium. The effects are considered remediable.	See comments provided to indicator 1.10 above. **Active Ownership**: By the end of 2024, more than 250 engagements have tied to the topic of lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises. **Planned actions for year 2025:** We will continue to enhance our screenings and methodologies relating to human rights impacts and risks, which will also consider and review processes captured by this indicator.

Table 1: Indicators applicable to investments in investee companies (representing 80% of the reported AuM)						
Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Unadjusted gender pay gap (1.12)	Average unadjusted gender pay gap of investee companies (%)	6%	4%	11%	**Calculation:** The impacts are calculated by aggregating the unadjusted gender pay gap of investee companies, with each gender pay gap weighted by the relative share of the relevant investment as divided against all investments in investee companies. **Coverage:** Data coverage is 8% of the eligible investments which means a total coverage of around 7% of all investments. **Data assumption and quality:** Data is based on company disclosures and hence no estimations are used. As there is a limited number of companies disclosing relevant data, coverage is low. For investee companies without gender pay gap data, the weighted average unadjusted gender pay gap of investee companies with data was applied. **Severity of impacts:** The gender pay gap includes pay discrimination where women earn less than men for doing equal work or work of equal value. The effects are considered to be severe, as it e.g. can lead to lower retirement and quality of life for women. As the data is based on company disclosed numbers, the probability of occurrence is regarded as certain. Companies have a possibility to remediate gender pay gaps, but this will not help women that have been part of the workforce/affected in the past.	**Active Ownership:** As reported in the Active Ownership Report more than 100 engagements were registered on unadjusted gender pay gap for year 2024. According to our Voting Guidelines, we may vote in favour of shareholder proposals aiming to increase disclosure regarding the gender pay gap ratio and measures taken to promote gender equality. In addition, if overall reporting is not seen as sufficient, a proposal requesting for the company to report in line with best practice may be supported. **Exclusions:** For companies having significantly weak performance on indicators tied to unadjusted gender pay gap, pre-trade warnings have been set up for a vast part of our managed portfolios in relation to investments into these companies. **Planned actions for year 2025:** At the time of the publication of this document no specific actions have been planned.

Table 1: Indicators applicable to investments in investee companies (representing 80% of the reported AuM)						
Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Board gender diversity (1.13)	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (%)	38%	37%	39%	**Calculation:** The weighted average board gender diversity is calculated by aggregating the board gender diversity (ratio of female to all board members) of all investee companies, with each such ratio weighted by the relative share of the investment against all investments in investee companies. **Coverage:** Data coverage is 78% of the eligible investments which means a total coverage of around 65% of all investments. **Data assumption and quality:** Data is based on companies' board composition and hence not subject to any data estimations/proxies. For investee companies without board gender diversity data, the weighted average board gender diversity of investee companies with data was applied. **Severity of impacts:** Barriers to gender equality in leadership and board compositions, may lead to negative effects on board dynamics and governance as well as unfair discrimination of women that may have the right credentials but are neglected from board positions. As such, the issue is regarded as severe. As the data is based on a company's reported board compositions, the probability of occurrence is regarded as certain. Companies have a possibility to improve/remediate the gender balance in their boards.	**Active Ownership:** As reported in the Active Ownership report in 2024 more than 300 engagements have been tied to the topic of board gender diversity. As set-out in our Voting Guidelines, we believe that companies should recognise and strive for equal gender representation at Board and executive level. In mature markets, we expect that at least one-third (33 percent), or any higher domestic threshold, of shareholder elected directors on the Board of Directors to be of the underrepresented gender. In emerging markets, we expect at least one shareholder-elected director to be of the underrepresented gender. Recognising that these expectations may lead market norms and practices, we will use voting and engagement as a means to support companies in achieving these objectives. **Exclusions:** For companies having significantly weak performance on indicators tied to board gender diversity have been set up for a vast part of our managed portfolios in relation to investments into these companies. **Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned.

Table 1: Indicators applicable to investments in investee companies (representing 80% of the reported AuM)						
Adverse Sustainability Indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
	Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters					
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (1.14)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons (%)	0%	0%	0%	**Calculation:** The impacts are calculated as the share of investments in investee companies with exposure to controversial weapons as divided against all investments. **Coverage:** Data coverage is 82% of the eligible investments which means a total coverage of around 68% of all investments. **Data assumption and quality:** Data is based on company reports, or government sources or other relevant sources, confirming involvement in controversial weapons. Where such data was not available, investments were considered as not having exposure to controversial weapons. **Severity of impacts:** The weapons are considered controversial as their production and use are assessed to conflict with the prohibitions set out in international conventions and national financing prohibitions because of their discriminate effects and the disproportionate harm they cause. Whilst the weapons might not be used in battle, the mere existence and potential use is regarded as severe. Given that data is based on confirmed company involvement, the probability of occurrence is regarded as certain. Given that the weapons have been produced, the effects are considered irremediable.	Danske Bank's approach to investments in controversial weapons follow the position stated in the Danske Bank Group Position Statement on Arms & Defence which is available on through this link: danske-bank-position-statement-arms-and-defence.pdf (danskebank.com) **Exclusions**: Danske Bank operates exclusions for companies involved in controversial weapons. The exclusion was adjusted during 2024 to allow for investments in companies involed in activities associated to nuclear weapons within the Treaty on the Non-Proliferation of Nuclear Weapons. The exclusion is broadly applicable across managed investment products. By end of 2024, 64 companies where on the Exclusion List due to identified involvement in controversial weapon activities. **Planned actions for year 2025:** Further refinements to the exclusion on controversial weapons are to be expected in order to align the approach with the need to procure more investments into defence.

Table 1: Indicators applicable to investments in sovereigns and supranationals (representing 13% of the reported AuM)							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environment	GHG intensity (1.15)	GHG intensity of investee countries (CO2e/m€ of country's GDP)	323	302	311	**Calculation:** The impacts are calculated by aggregating the GHG intensity of all investee countries, with each intensity weighted by the relative share of the relevant investment divided by all investments in investee countries. **Coverage:** Data coverage is 97% of the eligible investments which means a total coverage of around 12% of all investments. **Data assumption and quality:** Data includes Scope 1, 2 and 3 emissions. This is not the traditional way sovereign emissions are accounted for, and available data is limited in this regard. The data factor used provides information on "production emissions", using the same boundary setting as UN Framework Convention on Climate Change (UNFCCC). For investee countries without such data the weighted average GHG intensity of investee countries with emissions data was applied. **Severity of impacts:** Please refer to the severity of impacts outlined for indicator 1.1.	Please see the "action taken" comments for indicators 1.1-1.6. **Active Ownership**: During 2024, around 20 engagements with sovereigns or supranationals on climate related topics have been registered. **Exclusions:** As part of Danske Bank's Country Assessment leading to exclusions of sovereigns or supranationals due to their adverse sustainability impacts, we screen a country's exposure to and management of among others GHG intensity. The screening framework is based on quantitative factors and a qualitative overlay and seeks to identify countries with severe underperformance. For further information, see the Enhanced Sustainability Standards Screening methodology paper, available at: https://danskebank.com/sustainability/publications-and-policies/sustainability-related-disclosures. By end of 2024, 27 countries were on the country exclusion list. **Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned.
Social	Investee countries subject to social violations (1.16)	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where	Absolute: 67 Relative: 69%	Absolute: 63 Relative: 68%	Absolute: 63 Relative: 69%	**Calculation:** The impacts are calculated as the absolute number of investee countries subject to social violations and the relative share of these investments divided by all investments in investee countries. **Coverage:** Data coverage is 97% of the eligible investments which means a total coverage of around 12% of all investments. **Data assumption and quality:** Data is linked to a spectrum of underlying social issues, including but not limited to freedom of speech and press concerns, death penalty	Please see the Action Taken comments for indicators 1.10-1.11. **Exclusions:** As part of our Country Assessment (see indicator 1.15), countries are screened against social violations, e.g. through the topics of Freedom of assembly, Freedom of opinion and expression, Indigenous peoples' rights, Women's and girls' rights, Arbitrary arrest and detention, Extrajudicial or unlawful killings, Security forces and human rights, Torture and other ill-treatment. By end of 2024, 27 countries were on the country exclusion list.

Table 1: Indicators applicable to investments in sovereigns and supranationals (representing 13% of the reported AuM)							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
		applicable, national law				status (e.g. USA and Japan), human rights concerns etc. Where such data was not available, investments were considered as not being subject to social violations **Severity of impacts:** Social violations are considered severe. Given that data is based on current/past performance on social criterion, the probability of occurrence is regarded as certain. Due to the (generally) large-scale implications of social violations the effects are considered irremediable.	**Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned other than the introduction of a pre- trade warning enhancing the focus on these negative impacts.
Table 1: Indicators applicable to investments in real estate (representing 0% of the reported AuM)							
Fossil fuels	Exposure to fossil fuels through real estate assets (1.17)	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	N/A	Danske Bank does not manage investment in real estate assets for our customers.
Energy efficiency	Exposure to energy-inefficient real estate assets (1.18)	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	N/A	Danske Bank does not manage investment in real estate assets for our customers.

Other indicators for principal adverse impacts on sustainability factors							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Table 2: Additional climate and other environment-related indicators							
Indicators applicable to investments in investee companies (representing 80% of the reported AuM)							
Emissions	Investments in companies without carbon emission reduction initiatives (2.4)	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (%)	36%	34%	46%	**Calculation:** The impacts are calculated as the share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement divided against all investments. **Coverage:** Data coverage is 83% of the eligible investments which means a total coverage of around 69% of all investments. **Data assumption and quality:** Data is based on companies' disclosures. Where such information is not available, the weighted average percentage of companies without carbon emission reduction initiatives has been applied. **Severity of impacts**. Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. Lack of carbon emission reduction initiatives is not necessarily equivalent to poor carbon performance/decarbonisation. The severity is thus considered as medium. The companies also have the possibility to implement adequate reduction initiatives and remediate the situation. Given that data is based on companies' current disclosures, probability of occurrence is considered as certain.	See comments provided to "actions taken" in indicator 1.1-1.6.

Other indicators for principal adverse impacts on sustainability factors							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Indicators applicable to investments in investee companies (representing 80% of all investments)							
Social and employee matters	Insufficient whistleblower protection (3.6)	Share of investments in entities without policies on the protection of whistleblowers (%)	<1%	<1%	<1%	**Calculation:** The impacts are calculated as the share of investments in investee companies without policies on whistleblower protection divided against all investments. **Coverage:** Data coverage is 80% of the eligible investments which means a total coverage of around 67% of all investments. **Data assumption and quality:** Data does not only reflect the presence of policies on the protection of whistleblowers. Where such information was not available, the weighted average percentage of companies without whistleblower protection policies initiatives has been applied. **Severity of impacts:** Companies with insufficient whistleblower protection are at risk of having individuals/businesses engaging in fraudulent/ unethical behaviour where employees do not feel protected in reporting such conduct. The absence of whistleblower protection can lead to prolonged periods of corporate misconduct or personal consequences. Lack of whistleblower protection is not equivalent to exposure to activities that should have otherwise been reported through whistleblower channels. Hence severity is considered medium.	**Active Ownership:** As reported in the Active Ownership Report more than 50 engagements have been tied to the topic of insufficient whistleblower protection. In relation to voting companies are expected to have adequate whistleblower protection policies. If that is not the case, or if there is reason to believe that these policies do not function as intended, proposals to strengthen these policies are likely to be supported. **Exclusions:** No companies have been excluded solely for the grounds of having no whistleblower policies. For companies having significantly weak performance on indicators relating to insufficient whistleblower protection pre-trade warnings have been set up for a vast part of our managed portfolios in relation to investments into these companies. **Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned.

Other indicators for principal adverse impacts on sustainability factors							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Indicators applicable to investments in investee companies (representing 80% of all investments)							
Human Rights	Lack of a human rights policy (3.9)	Share of investments in entities without a human rights policy (%)	29%	36%	14%	**Calculation:** The impacts are calculated as the share of investments in investee companies without human rights policies divided against all investments. **Coverage:** Data coverage is 80% of the eligible investments which means a total coverage of around 67% of all investments. **Data assumption and quality:** Data reflects companies lacking a human rights policy. The data does not require the policy to have been approved at board level and is hence a proxy. Where such information was not available, the weighted average percentage of companies without human rights policies has been applied. **Severity of impact:** Companies without a human rights policy are more at risk of contributing to human rights violations. Lack of a human rights policy is however not equivalent to being involved in human rights violations, hence severity is considered medium. Given that data is based on companies' disclosures, the probability of occurrence is regarded as certain. Companies without a human rights policy have the possibility to implement relevant policies and remediate the situation.	Please see the "actions taken" comments for indicators 1.10-1.11. **Active Ownership:** If a company has not published a policy, or if there is reason to believe that the policy does not function as intended, proposals to strengthen the policy is likely to be supported. **Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned.

Other indicators for principal adverse impacts on sustainability factors							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Indicators applicable to investments in sovereigns and supranationals (representing 13% of all AuM)							
Governance	Average corruption score (3.21)	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column (score)	2.29	2.13	2.02	**Calculation:** The impacts are calculated as the average corruption score of investments in investee countries with each weighted by the relative share of the respective investment as divided against the sum of all investments in investee countries. **Coverage:** Data coverage is 97% of the eligible investments which means a total coverage of around 12% of all investments. **Data assumption and quality:** Data is based on the degree to which corruption is perceived to exist among public officials/politicians measured by the Corruption Perception Index by Transparency International. This factor provides a numeric grade from 1 (D-) to 4 (A+). Interpretations of the indicator may differ. For investments in investee countries without such information, the average score of the covered investments was applied. **Severity of impact:** Corruption is "the abuse of entrusted power for private gain". The suite of activities understood to be 'corrupt' varies, and can include bribery of public officials, embezzlement, and obstruction of justice. Given the scale of its detrimental effects, corruption is considered as severe. The data is based on countries' current historical performance on corruption issues, why the probability of occurrence is deemed to be certain. The effects are considered irremediable.	**Exclusions:** As part of the Country Assessment potentially leading to exclusions under the Enhanced Sustainability Standards Screening (see indicator 1.15), a country is screen for aspects relating to corruption. This governance criteria constitute a weight of around 13% of the overall score. By end of 2024, 27 countries were on the country exclusion list. **Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned.

Other indicators for principal adverse impacts on sustainability factors							
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Indicators applicable to investments in sovereigns and supranationals (representing 13% of all AuM)							
Governance	Non-cooperative tax jurisdictions (3.23)	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes (%)	<1%	<1%	<1%	**Calculation:** The impacts are calculated as the share of investments in non-cooperative investee countries for tax purposes against all investments. **Coverage:** Data coverage is 97% of the eligible investments which means a total coverage of around 12% of all investments. **Data assumption and quality:** Data is based on EU's list of non-cooperative jurisdictions for tax purposes and is thus not subject to any estimations. **Severity of impacts:** The EU List is composed of countries which fail EU cooperative requirements in relation to taxation. Given the global nature of unfair tax competition, the impacts can in certain cases be severe. The probability of occurrence is regarded as certain given the existence of EU's List. Although not verified by the list, countries' can have contributed to negative tax effects for multiple years, in which case the effects are considered irremediable. .	**Exclusions:** As part of the Country Assessment potentially leading to exclusions under the Enhanced Sustainability Standards Screening (see indicator 1,15), sources such as the Financial Action Task Force (FATF) list of "High-risk and other monitored jurisdictions", "EU list of non-cooperative jurisdictions", "OECD Global Forum on Transparency and Exchange of Information for Tax Purposes – EOR" are screened. By end of 2024, 27 countries were on the country exclusion list. **Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned.
Governance	Average rule of law score (3.24)	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column (score)	2.27	2.30	2.22	**Calculation:** The impacts are calculated as the average rule law score of investments in investee countries with each weighted by the relative share of the respective investment as divided against the sum of all investments in investee countries. **Coverage:** Data coverage is 97% of the eligible investments which means a total coverage of around 12% of all investments.	**Exclusions:** The rule of law score is included in the Country Assessment, potentially leading to exclusions under the Enhanced Sustainability Standards Screening (see indiator 1.5.). This governance criteria constitute a weight of around 13% of the overall score. By end of 2024, 27 countries were on the country exclusion list.

Other indicators for principal adverse impacts on sustainability factors						
Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Indicators applicable to investments in sovereigns and supranationals (representing 13% of all AuM)						
Average rule of law score (3.24)					**Data assumption and quality:** Data is based on a numerical score based on the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. Interpretations of the indicator may differ and should be regarded as a proxy. This factor provides a rated entity's numeric grade from 1 (D-) to 4 (A+). For investee countries not assigned an average rule of law score, the weighted average for the data covered countries was applied. **Severity of impacts:** Rule of law ensures that the political and judicial systems are predictable and act in the interest of society, fostering economic and social development. Given the large/societal-scale negative effects of failing of upholding the rule of law, the failure is regarded as severe. Given that data is based on current/past performance, the probability of occurrence is regarded as certain. Given the amount of people that have been affected by weak rule of law, and the challenges and timelines associated with implementing better practices, the effects are regarded as irremediable.	**Planned actions for year 2025:** At the time of the publication of this document, no specific actions have been planned.

3. Description of Policies to identify and prioritise principal adverse impact on sustainability factors

3.1. Governance and organisational framework

The Responsible Investment Policy of Danske Bank confirms and outlines our commitment to identify and prioritise principal adverse impacts on sustainability factors. The Responsible Investment Policy is subject to regular, not less than annual, reviews, with input from 2nd Line Risk Management, Compliance, the ESG Integration Council and other relevant stakeholders. The Policy was last updated and approved by the Board of Directors in December 2024 having the endorsement of the Responsible Investment Committee and Business Integrity Committee of Danske Bank.

The responsibilities for the implementation of the Responsible Investment Policy are outlined in the policy, and the Responsible Investment Committee guides its execution. The Responsible Investment Policy is further operationalised through underlying instructions on inclusions, exclusions, sustainability risk integration and active ownership with supporting guidelines all available at https://danskebank.com/sustainability-related-disclosures.

3.2. Methodologies

Principal adverse impacts are identified through due diligence processes that support the screening of companies or sovereigns with significant negative impacts on social and/or environmental factors. The screening covers indicators that always lead to principal adverse impacts (mandatory indicators) and additional indicators that Danske Bank has committed to consider (voluntary indicators). The mandatory indicators are reported in table and the voluntary indicators are reported in table 2-3 of the PAI table. Subject to data availability, the selection of voluntary indicators has followed the methodology/guiding principle of selecting the indicators which are deemed most relevant to consider based on our investment management philosophy, exposures as well as data quality.

The screens conducted through the due diligence processes may lead to measures in accordance with Danske Bank's processes for exclusions, inclusions and active ownership. As an example, Danske Bank excludes companies that are associated with controversial weapons defined and measured through indicator 1.14 and has set engagement targets for high-emitting companies tied to the indicators on GHG emissions. Also, the Enhanced Sustainability Standards screening operated by the Responsible Investment team supports exclusions of companies and other issuers that are engaged in activities failing minimum environmental and social safeguards as defined by international organizations such as the OECD, ILO, UN and relevant treaties or conventions. The screening is undertaken based on data from multiple sustainability data providers (ISS ESG, MSCI, Sustainalytics), our investment teams, as well as other relevant sources and stakeholders (e.g. NGOs).

Portfolio managers are expected to monitor and follow-up on the principal adverse impacts of their managed portfolio for which relevant tools, knowledge, research, education and subject-matter expertise are provided to the investment team to support the due diligence processes. These due diligence processes are supported by trading/compliance platforms that can assist portfolio managers in identifying investee companies with weak performance in relation to the PAI indicators. Essentially the trading platform ensures that when a portfolio manager of an actively managed strategy is placing a trade for a security in an investee company that has been assessed as negatively performing on one or more principal adverse impact indicators, the portfolio manager will receive a warning to prompt further due diligence of the issuer. Strategies and products applying pre-trade warnings on the PAI indicators are disclosing this in their pre-contractual disclosures. Information on these thresholds is available in our methodology paper on sustainable investments, published on the link referenced above.

3.3. Dataset used for reporting and margin of error

Data sources used for the measurement and reporting on the PAI indicators are assessed by the Responsible Investment team in Danske Bank Asset Management. The assessments include, but are not limited to, assessments on data coverage, data quality, methodology, costs, and other operational considerations.

No universally accepted framework (legal, regulatory, or others) currently exists in relation to sustainability-related data, information, and assessments. As a financial institution investing globally in different asset classes, Danske Bank strives to the extent possible to leverage primary reported data and information. Where such is not available, best efforts are made to obtain data, including data estimates, information, and assessments through third-party providers or directly from investee companies, and/or by carrying out additional research or making own reasonable assumptions/estimations.

Sustainability-related data, information, and assessments is therefore not comparable to that of financial information. This implies a risk of misrepresentation of data on sustainability-dimensions or impacts associated to an investment. Despite diligent due diligence in the onboarding of data and other resource and cost proportional considerations in place to ensure the accuracy, completeness, and reliability of the data, it is not possible to verify nor guarantee, directly or indirectly, the complete correctness of the underlying data. Therefore, a certain margin of error is generally to be expected in relation to ESG data.

At this point in time, it is difficult to assess the general magnitude of the margin of error in respect to the reported impacts in this statement, but it is expected to be substantial. Indicators with low coverage are also more vulnerable for outliers, which will affect calculations where companies with coverage are used as proxies for companies without coverage. Due to the uncertainty and volatility related to Scope 3 emissions, all indicators which includes Scope 3 emissions do have some uncertainty connected to them. In general, scope 3 emissions account for 70-80 percent of the total emissions. We do expect the quality of Scope 3 emissions to increase in the coming years, however the maturity level makes it currently challenging to compare one reference period to the next. Reference is also made to the descriptions outlined in the PAI Table in section 2.2 above. As corporate disclosures are expected to improve and increase over time, we also expect the margin of error to be reduced in time.

On vendors, we have in general chosen one vendor, ISS ESG, in relation to the reporting. The selection was performed on basis of a thorough due diligence process, meaning that dimensions such as models used, data coverage and alignment of the definitions outlined in SFDR have been scrutinised. ISS ESG do primarily not estimate any company performance, except for emissions related data. More information on ISS' methodology (ISS ESG SFDR Principal Adverse Impact Solution – Data Dictionary) is available through ISS ESG.

In utilising ISS ESG as vendor no direct collection of data is in overall done from the companies or issuers that we invest into. We engage with ISS ESG in cases where data appears incorrect or if there are significant data gaps. For calculations requiring an average, these averages are based on holdings with coverage, is effectively assumed that all investee companies without coverage data have the weighted average of the companies with data coverage.

As of June 2025, ISS ESG had data coverage for up 8,500 issuers for corporate principal adverse impacts, up to 27,000 Issuers for corporate controversy linked principal adverse impacts, 29,500 Issuers for controversial weapons and up to 200 countries for sovereign and supranational assets. The data coverage on individual principal adverse impacts may vary greatly, dependent of the quality of the corporate disclosures.

Private markets are challenged by lack of data in respect to sustainability-dimensions such as the PAI indicators. To mitigate potential data gaps, Danske Bank has signed up for the ESG Data Initiative launched by ATP. The purpose of this initiative is to share and request data (including on the PAI Indicators) through an industry coordinated approach from the alternative investment fund managers. While the initiative has not enabled us to leverage 2024 data from these managers, we expect that this will help us mitigate data gaps in the forward-looking as the process matures. Better data coverage continues to be a key priority.

Derivatives are captured by our principal adverse impacts reporting but challenged in respect to mapping of the impacts of the underlying instrument to the derivative. For security lending and single CFDs (Contracts for Difference) instruments, principal adverse impacts have been calculated for the underlying instrument (subject to data availability). For future measurements and reporting, we will strive to further extend PAI impact measurements and reporting to other derivative types.

3.4. Engagement policies

Active ownership is the use of rights and position of ownership to influence the activities or behaviour of investee companies and other issuers. Danske Bank's approach to active ownership is governed through the Responsible Investment Policy as further operationalised through an Active Ownership Instruction.

The Active Ownership Instruction informs Danske Bank's approach to active ownership as a measure to protect the value of our customers' investments, to generate attractive returns, and also to manage the principal adverse impacts of investments we manage on behalf of our clients. Our approach is based on the belief that exercising active ownership in certain situations can facilitate the resolution of challenging issues more effectively than the imposition of exclusions and/or divesting, which could limit Danske Bank's opportunities as a responsible investor.

As further detailed in the Active Ownership Instruction, Danske Bank conducts active ownership through voting and engagement in which respect the principles of the Active Ownership Instruction are further guided through defined Voting and Engagement Guidelines.

Voting refers to the exercise of ownership rights at general meetings of companies where Danske Bank owns shares. Through voting, we seek to support a company's long-term growth potential, mitigate its sustainability risks and minimise companies' adverse impacts on society. We vote on management and/or shareholder resolutions to approve or disapprove of corporate governance practices as well as relevant environmental and social matters. We exercise voting by ourselves or by proxy through a third -party adviser. Our approach to using voting rights for the assets we have under management is outlined in our Voting Guidelines, covering a wide array of topics tied to the PAI-Indicators, including remuneration policies, capital structure and shareholders' rights, CO2 emissions, energy efficiency, gender diversity, biodiversity, human rights and anti-corruption. Voting is also conducted on proposals not specifically addressed by the Voting Guidelines, in which case our fiduciary duty to clients underpins our approach and evaluation of a proposal's likelihood of enhancing the long-term financial return or profitability of the company or maximising long-term shareholder value. The voting rights are exercised in accordance with respective product's objective and investment strategy. The investment teams have access to data, research and expertise, and voting decisions consider the sufficiency of information on matters.

Engagement refers to the interactions that Danske Bank has as an investor with current or potential issuers (which may be companies, governments, agencies, municipalities, etc.). Engagements may be undertaken for instance to inform voting decisions and/or seek ESG information.

For engagement in relation to principal adverse impacts, Danske Bank seeks to engage with issuers where material environmental and/or social sustainability related issues have been identified. Our engagement activities may be constrained by pre-conditions and resources. Engagement activities apply differently across the asset classes. Engagement is exercised by the Responsible Investment team and Investment teams in Danske Bank Asset Management. Also, engagements may be performed by asset managers to whom Danske Bank has sub-delegated investment management activities.

Danske Bank exercises individual engagement or in collaboration with other investors and organisations and is guided by our Engagement Guidelines. Individual engagement activities is organised across:

1. Thematic related engagements,
2. Event related engagements; and
3. Performance related engagements.

Thematic related engagements focus on selected systemic issues and adverse impacts that companies operating in certain sectors may be exposed to. The thematic engagements under the current version of the Engagement Guidelines relate to Biodiversity & Nature, Net Zero Commitments (Largest Emitters Focus), Net Zero Pathway

Framework (Fossil Fuels Focus), and Human Rights, which are largely tied to PAI Indicators 1(1)-1(4), 1(7) and 2(1)-(2). For these engagements we seek to gain information and encourage companies to minimize their adverse impacts within the selected scope and/or target setting.

On a multi-year basis, we select companies as part of our thematic engagement topics. Such companies are identified based on their exposure to the engagement topic, the size and relevance in terms of portfolio positions of investment teams and clients, and performance and risk related to the focus area. Screening for such companies is done in accordance with the process selected for each theme. Also, the selected themes are continuously reviewed and potentially revised or expanded.

Event related engagements are engagements which are initiated, when certain incidents or events occur. Event related engagements may be tied to any of the PAI-Indicators, where a significant negative operational performance and/or severe sustainability event has occurred. An event related engagement is generally prompted through findings done through the screening under Danske Bank's Sustainable Investment Model, where companies with significant negative performance in relation to the PAI-Indicators are identified. Furthermore, an engagement may be prompted through the analysis conducted under our Enhanced Sustainability Standards screening. The Enhanced Sustainability Standards screening utilises the results from the controversies datasets that we receive from our ESG data vendors and supports the identification of certain companies/issuers engaged in certain activities and conduct deemed harmful to society. Information on the Sustainable Investment Methodology and Enhanced Sustainability Standards screening is available at: https://danskebank.com/sustainability-related-disclosures

Corporate issuers where Danske Bank has an ownership stake exceeding a value of 75 DKK mil or >0.40% ownership, are selected as engagement targets where highest controversies level has been issued from at least two of our ESG data providers and/or the company returns a "negative" or "very negative" operational performance result under our proprietary Sustainable Investment Model. Sovereign issuers are selected as engagement targets based on the lowest performing countries as per our country assessment model. The screening also includes inputs from the Responsible Investment Team and the outlook for any future engagement. The screens for issuers subject to our event related engagements are performed regularly and not less than on an annual basis and/or if otherwise prompted.

Performance related engagements are engagements that are case-by-case dependent. The scope stems from the ongoing monitoring of issuers financial and non-financial performances, strategies, industry position, and sector trends. To support in the identification of sustainability issues that are most likely to affect an issuer's financial condition and operating performance, we leverage alongside access to sustainability research from ESG data vendors, and our own developed mSCORE (ESG Score). On a continuous basis, portfolio managers may select issuers for which engagement may improve the investment case or can mitigate investment risk related to governance and/or sustainability issues. Monitoring by investment teams identifies situations where there is a risk of loss of value or an opportunity to add long-term value through active ownership.

In respect to collective engagements, Danske Bank is a member of several investor organisations and investor initiatives, and we collaborate with a range of other relevant stakeholders. By doing this, we aim to contribute to the development of responsible investments and to promote transparency and sustainability standards in companies and in the financial markets. We work with other investors and stakeholders to engage in joint dialogue with companies to contribute to positive change. By working together, we and the investment industry may have a stronger voice to express a shared position on standards as they relate to principal adverse impacts. During the year, we participated in nine collaborative engagement initiatives were participated in. These initiatives aimed at supporting enhanced management practices and performance across a variety of topics, which included climate change, biodiversity, human rights, and children's rights.

Each year in Q3, the Responsible Investment team will analyse the PAI statement from the previous year to evaluate performance development on PAI indicators. This assessment examines indicators with improved and deteriorated performance. The aim is to identify root causes for the development, which may involve data quality, data coverage, changes in exposures, or an increase in negative operations within the portfolio. The findings are to be escalated to the Responsible Investment Committee along with recommendations on addressing impacts, if relevant. Recommendations might include updating the thematic scope of the Engagement Guidelines or changing voting practices, but the specific actions will be tailored to each case.

Find more information in our Active Ownership Instruction, Voting Guidelines and Engagement Guidelines on https://danskebank.com/sustainability-related-disclosures.

3.5. References to international standards

We prioritise the management of principal adverse impacts in accordance with the approach set out in Danske Bank Group position statements and other sustainability-related strategies and commitments, including product level commitments. Our firm-level commitments include, but are not limited to the following international standards and commitments, mapped to the respective PAI indicators used for measurement and reporting:

Climate and GHG emissions - PAI Indicator 1.1-1.6 (Table 1) and PAI Indicator 2.4 (Table 2)

Our ambition at Danske Bank is to contribute to the transition to a carbon-neutral society and invest in line with the Paris Agreement's goal of limiting global temperature rise to a maximum of 1.5°C. Through our membership of global investor initiative Net Zero Asset Managers initiative, Danske Bank has committed to achieving a net-zero investment portfolio by 2050 or sooner in line with the Paris Agreement and to limiting global temperature increase to a maximum of 1.5°C. We have set a number of climate targets to support this commitment, in alignment with the Net Zero Asset Managers initiative.

Please see Danske Bank Climate Action Plan for more details, and the Climate Action Plan Progress Report 2024 published on: https://danskebank.com/sustainability

Initiatives linked to climate and GHG emissions:

- The Institutional Investors Group on Climate Change (IIGCC)
- CDP (formerly Carbon Disclosure Project
- Climate Action 100+
- The Partnership for Carbon Accounting Financials (PCAF)
- Net Zero Asset Managers initiative

Biodiversity, water and waste - PAI Indicator 1.7-1.9 (Table 1)

Danske Bank is aware that the future profitability and success of many companies relies upon the health of global biodiversity. Conversely, the economic activity of companies amounts to one of the largest contributors to biodiversity loss, which furthermore significantly reduces the capacity of our planet to sequester carbon and hence mitigate global warming. These negative impacts not only have direct implications for the environment and society as a whole, they also present material challenges for business in the form of increased physical and transitional risks.

Initiatives linked to biodiversity, water and waste:

- The Partnership for Biodiversity Accounting Financials (PBAF)
- Nature Action 100
- Finance for Biodiversity Pledge

Social and Employee matters - PAI Indicator 1.10-1.11 (Table 1) and 3.6 and 3.13 (Table 3)

Danske Bank Group has signed and honour the ten principles of the UN Global Compact. To ensure we are not investing into companies, activities and countries which are in breach of the international guidelines mentioned below, we undertake our proprietary Enhanced Sustainability Standard screening.

Initiatives linked to social and employee matters:

- UN Global Compact (UNGC)
- OECD Guidelines for Multinational Enterprises,
- UN Guiding Principles on Business and Human Rights

Corporate governance – PAI Indicator 12-13 (Table 1)

For Danske Bank being a responsible investor comes down to use our rights as a shareholder and vote and go into dialogue with our investee companies. We are fully transparent about our voting which are disclosed on an ongoing basis on our voting platform which can be found here. Our voting guidelines take into account internationally recognised corporate governance standards and voluntary principles mentioned below. Please see the Voting Guidelines for a full overview.

Initiatives linked to corporate governance:

- G20/OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises

International standards and commitments, not related to a specific PAI Indicator

- UN Sustainable Development Goals (SDGs) The framework is among other used by Danske Bank to determine if an investment is sustainable
- UN-supported Principles for Responsible Investment: Danske Bank is yearly reporting on how we are adhering to the principles and our developments and progress when it comes to responsible investments.
- Sustainability Accounting Standards Board (SASB)

4. HISTORICAL COMPARISON

A historical comparison to the reference years 2022 and 2023 is provided in the PAI Table ""Description of the principal adverse impacts on sustainability factors". For year 2024, certain methodology updates have been made to the measurement of impacts, why the impacts reported for year 2022 and 2023 have been recalculated in order to ensure comparability of the reference years.

5. Change Log

Date	Date Version number	Comments/changes
10 March 2021	1.0	Principal Adverse Impact Statement created
28 December 2021	2.0	Indicators amended to reflect Regulatory Technical Standards (applicable from 1 January 2023). Indicators expanded to cover sovereigns and supranational as well as Real Estate. Additional indicators added. Further nuanced descriptions on Identification of principal adverse impacts. Prioritisation of principal adverse impacts as well as Engagement policies and references to international standards.
30 June 2022	3.0	Further nuanced descriptions on Identification of principal adverse impacts, Prioritisation of principal adverse impacts as well as Engagement policies and references to international standard
30 December 2022	4.0	Aligned with Annex 1 Template Updated based on the updated Responsible Investment Policy Updated based on the updated Active Ownership Instruction Updated based on the updated Exclusion Instruction
23 January 2023	4.1	Summary section updated
30 June 2023	4.2	Reporting on 2022 principal adverse impacts included Further nuanced descriptions on Identification of principal adverse impacts.
30 June 2024	4.3	Reporting on 2023 principal adverse impacts includes, adjusted metrices for certain indicators and editorial adjustments (section 3.4 adjusted March 2025)
30 June 2025	4.4	Reporting on 2023 principal adverse impacts includes, adjusted metrices for certain indicators and editorial adjustments