

Statement on Carbon Neutralisation 2021

In Danske Bank we recognise our responsibility to minimise our environmental impact and we are committed to ensuring and advancing sustainability throughout our operations and workplace. Minimising our own environmental footprint is one of six focus areas that constitute our Group sustainability strategy. Even though our biggest environmental impact occurs through our balance sheet, we recognise the importance of minimising our own environmental footprint as being vital for our performance and credibility on the overall sustainability agenda. Since 2009, Danske Bank has been balancing out the carbon emissions from our own operations by purchasing verified carbon credit offsets. In 2021, the Group continued to compensate for the carbon emissions from our own operations by investing in carbon credit projects and buying renewable electricity certificates.

To underline our commitment to sourcing renewable electricity, Danske Bank is a member of RE100, an initiative for businesses committed to achieving 100% renewable electricity use in their own operations. We have since 2015 purchased renewable electricity certificates on a country-by-country basis for 100% of our remaining electricity consumption.

While the most important tasks in terms of our own carbon footprint is to reduce emissions produced through our own operations, the instruments offered through carbon offsetting, helps neutralise the GHG emissions we have not yet been able to eliminate. By offsetting what we have not yet managed to reduce, carbon neutralisation also offers a cost incentive for enhancing organisational efficiency.

Our equation for carbon neutralisation in 2021 is as follows:

GHG emissions (tonnes)*	2021	2020	Change
GHG emissions from electricity ¹	0	0	0%
GHG emissions from heating	3,397	3,724	-9%
GHG emissions from travel by car	760	1,424	-68%
GHG emissions from travel by air	347	2,369	-76%
GHG emissions from paper use	183	272	-33%
Total registered GHG emissions	4686	7,789	-40%
Estimated GHG emissions from operations without registered data	47	82	-42%
Total GHG emissions for neutralisation	4,733	7,871	-40%
Neutralised by carbon credits from projects	4,733	7,871	
Result	Carbon neutralised	Carbon neutralised	

*Verified by third party

¹ Danske Bank is purchasing renewable electricity through Guarantees of Origin and International Renewable Energy Certificates.

Besides reducing our own GHG emissions, we work to integrate climate risks considerations and climate opportunities throughout the operations of our business and actively engage with customers, employees and other stakeholders to support the decarbonisation of the economy.

In this statement of carbon neutralisation you can read about the accounting principles for GHG emissions on which the carbon neutralisation equation is based. Furthermore, description on the scope of our emissions and the way we define our operational and organisational boundaries regarding GHG emissions can similarly be found in this document. The reporting period for 2021 extends from 1 October 2020 to 30 September 2021.

1.1. Comment on developments in 2021

Our total GHG emissions declined 40% from 2020 to 2021. During 2021 our operations continued to be significantly impacted by the global Covid-19 pandemic. In particular the emissions caused by flight travel continued its decline from 2020 with an overall decrease of 76% during 2021. Danske Bank continually works to reduce our total carbon emissions through actions such as shifting from physical to digital meetings where possible, in order to reduce our corporate travels. Following the gradual lift of travel restrictions internationally, national and regional flight routes in Scandinavia increased towards the end of the reporting period. However, international flight travel is still severely impacted from the global uncertainties related to Covid-19.

Despite the expansion of our offices in Lithuania, the overall emissions from heat consumption still decreased with 9%. Based on the experiences with remote work during 2020, Danske Bank has increased its focus on flexibility for employees. As a result, an increasing part of the organisation have continued to work partially from home during 2021 leading to decreased energy consumptions at our premises. We will continue to increase the scope of our reporting, including categories such as employee commuting and emissions associated with employees working from home in our scope 3 emissions.

Similarly, with large part of the employees working partially from home, paper consumption also saw a decline of 33% in 2021. However, the decrease is also be contributed to our continued focus on digitalisation and implementation of initiatives like "Follow-Me-Print".

Our emissions from electricity was eliminated completely by sourcing renewable electricity certified by Guarantees of Origin for the markets in Europe and International Renewable Energy Certificates for India.

For more information on our main carbon reducing initiatives, please see p. 39 in our Sustainability Report 2021 available for download through our Group website at <https://danskebank.com/sustainability>

1.2. Organisational boundaries

We measure and calculate GHG emissions for all of the Group's operations in Denmark, Finland, Sweden, Norway, Ireland, Northern Ireland, Lithuania and India. For our operations

outside these countries, we use extrapolations to calculate the emissions. These operations account for 1% of our total GHG emissions.

The data cover investment property only if it is used for the Group's own activities. Leasing activities, franchises and outsourced activities are not included.

Companies that are under the operational control of the Group temporarily because of financial hardship are not included.

1.3. Operational boundaries

The operational boundaries delimit the types of GHG emissions produced by the Group's operations.

In order to define the emissions to include in the scope of the GHG calculation, we assessed each possible source of emission. These were the assessment parameters:

1. Volume/impact of the emissions (high/medium/low): A high impact or large volume equals great significance.
2. Sphere of influence (high/medium/low): The more Dansk Bank is able to influence the emissions, the more significant.
3. Measurability (high/medium/low): In order to register emissions data consistently, they must be measurable.

The table below gives an overview of the activities that generate GHG emissions according to a uniform assessment with the three parameters and shows whether the emissions are included in the accounts.

Sources of GHG emissions	Parameters			Included
	1	2	3	
Direct GHG emissions				
Own use of oil and gas for heat and electricity	L	H	H	Yes
Company cars	L	H	H	Yes
Ozone-depleting substances from air-conditioning devices	L	H	L/H	No
Energy indirect GHG emissions				
Electricity	H	H	H	Yes
Heat	H	H	M	Yes
Other indirect GHG emissions				
Business travel by air	H	H	H	Yes
Business travel in own staff cars	M	M	L	Yes
Paper consumption	M	H	M	Yes
Business travel by train	L	H	L	No
Waste generated by the organisation but managed by another organisation	H/M	M	L	In progress
Purchased products and services	H	M	L	No
Outsourced activities, contract manufacturing and franchises	H/M	M	L	No
Commuting by employees	M	M/L	L	No
Travel by taxi for business	L	M	L	No

L = low, M = medium, H = high.

1.4. Carbon register

In order to offset the GHG emissions that the Group cannot eliminate, we have invested in renewable energy projects. In the period from 2009 to 2021, we invested in 10 projects located in India, Lithuania, Turkey, Uganda and Colombia: one reforestation project, seven wind power energy projects, one biogas energy projects and one cook stove project.

All the projects have been verified by an independent third party, assuring the amount of avoided CO₂ emissions matches our CO₂ consumption.

Here is an overview of the project from which we bought CO₂ credits in 2021 as well as our carbon credit balance:

Danske Bank's carbon credits, 2021

Project	Verification standard	Retired (tonnes CO ₂)
Reforestation project - Colombia, purchased in 2021	VCS and CCBS	+ 2,341
Excess credits, 2012-20 (tonnes CO ₂)		+ 62,416
Danske Bank's CO ₂ emissions, 2021 (tonnes CO ₂)		- 4,733
Total excess credits transferred to 2022 (tonnes CO₂)		60,024

Read more about our investments in reforestation and renewable energy projects in our Sustainability Fact Book 2021 available on our Group website at <https://danskebank.com/sustainability>

1.5. Categorisation of GHG emissions

To document our efforts to minimise our environmental footprint, we register the Group's emissions systematically. The work of measuring and reducing GHG emissions is integrated in the Group's environmental management. GHG emissions fall into three categories:

- Scope 1) direct GHG emissions
- Scope 2) energy indirect GHG emissions
- Scope 3) other indirect GHG emissions

1.6. Accounting principles

For further details on our accounting principles, please consult Reporting Principles on page 48-49 in our Sustainability Report 2021. The report is available for download through our Group website at <https://danskebank.com/sustainability>