

Statement on Carbon Neutralisation 2023

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. 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 accounted carbon emissions from our own operations by purchasing verified carbon credit offsets. Offsetting is done on an annual basis, based on total emissions for the current year at the time of reporting, and does not take into account any restatements of historical figures. In 2023, the Group continued to compensate for the carbon emissions from our own operations by investing in carbon credit projects and buying renewable energy certificates.

We have since 2015 purchased renewable energy certificates for 100% of our electricity consumption. Since 2022, we purchase country-specific renewable biogas certificates for the few remaining sites in Denmark which are powered through on-site gas heating.

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 CO₂e 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 2023 is as follows:

CO ₂ e emissions (tonnes)*	2023
Scope 1 ¹	196
Scope 2 (market-based) ²	1.714
Scope 3	7.172
Total registered CO ₂ e emissions	9.082
Estimated CO ₂ e emissions from operations without registered data	210
Total CO₂e emissions for neutralisation	9.292
Neutralised by carbon credits from projects	9.292

*Verified by third party

¹ Danske Bank has purchased biogas Guarantees of Origin for 100% of gas use in Denmark.

² Danske Bank is purchasing renewable electricity through Guarantees of Origin (GoOs, Europe excl. UK), Renewable Energy Guarantees of Origin (REGO, UK) and International Renewable Energy Certificates (I-RECs, India).

Besides reducing our own CO₂e emissions, we work to integrate climate risk 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 CO₂e 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 CO₂e emissions can be found in this document. The reporting period for 2023 runs from 1 October 2022 to 30 September 2023.

1.1. Comment on developments in 2023

Our total CO₂e emissions increased 10% from 2022 to 2023. The largest increase was seen in business travel, with an overall increase of 56% in emissions from air travel.

Scope 1 includes direct emissions from company vehicles with our operational control and from company facilities (onsite heating from gas and oil) and decreased by 18% compared to 2022.

Scope 2 includes indirect emissions from district heating, district cooling and electricity supplied by external suppliers. Our emissions from electricity were omitted in our market-based reporting by sourcing Guarantees of Origin (GoOs, Europe excl. UK), Renewable Energy Guarantees of Origin (REGO, UK) and International Renewable Energy Certificates (I-RECs, India). Emissions from purchased heat decreased by 15% compared to 2022, which is a result of footprint optimisation in our premises and closer energy monitoring.

Scope 3 includes indirect emissions from three categories. Scope 3.1 – Purchased goods and services includes emissions from paper consumption, that increased marginally (0,3%) compared to 2022. Scope 3.6 – Business travel increased by 29%. This is mainly driven by the aforementioned increase of emissions from air travel (56%) compared to 2022. Emissions from air travel is significantly lower than our baseline year 2019 (-51%). Business travel by road has reduced by 45% since 2019. Scope 3.7 - Employee commuting includes emissions from working from home and are at a similar level as the previous year, indicating a stable level of remote work.

For more information on our main carbon reducing initiatives, please see p. 51-54 in our Climate Action Plan Progress Report available for download through our Group website at <https://danskebank.com/sustainability>.

1.2. Consolidation approach

We measure and calculate CO₂e emissions for all of the Group's operations in Denmark, Finland, Sweden, Norway, Ireland, Northern Ireland, Lithuania and India for which we have operational control. For our operations outside these countries, we use extrapolations to calculate the emissions. These operations account for 2% of our total CO₂e emissions. The reporting period for the year 2023 runs from Q4 2022 to Q3 2023. Due to Danske Bank's sale of Danske IT, a fully owned subsidiary encompassing our Indian operations, the data includes India until the effective date 1st of September 2023. Similarly, MobilePay is from 1st of November 2022 no longer part of Danske Bank and excluded from reporting after the effective date.

The data cover investment property only if it is used as a premise for the Group's own activities.

1.3. Carbon credits

To offset the CO_{2e} 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 CO_{2e} emissions matches our CO₂ consumption.

In 2022, we adapted our approach to offsetting to increase ambition level and structure. From 2022, we only purchase carbon removal offsets. Most of our offset portfolio will be built on Nature-Based removal solutions such as reforestation or afforestation projects. We will also invest a smaller proportion of our offsetting into newer, Technology-Based solutions to promote investment and development in new solutions and innovations in carbon removal which are a necessity for us to realise the scientific net zero scenarios.

As we want to ensure the quality and additionality of our actions, our emissions from own operations are offset through ICROA-approved certified projects. Where the small number of Technology Based solution offsets are still awaiting ICROA-certification, we will bundle them with certified project offsets.

Below is an overview of the project from which we bought CO_{2e} credits in 2023:

Danske Bank's carbon credits, 2023

Project	Verification standard	Retired (tonnes CO _{2e})
Reforestation project – Mexico, purchased in 2023	VCS	8.947
European biochar, purchased in 2023	Awaiting ICROA certification, various local standards	345
Waste-water to energy – China, bundled with Biochar offsets to ensure 100% ICROA-approved offsetting	VCS	345 (bundled with Biochar offsets)

Read more about our investments in reforestation and biochar technologies in our Sustainability Fact Book 2023 available on our Group website at <https://danskebank.com/sustainability>.

1.4. Reporting principles

For further details on our accounting methodology, please consult our environmental data reporting principles on pp. 63-64 in our Annual Report 2023. The report is available for download through our Group website at <https://danskebank.com/ir>.