

Sustainability approach and priorities

- our strategic direction towards 2028

February 2024



Danske Bank

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About this publication

At Danske Bank, we recognise the importance of sustainability for our customers, for our business and for society at large. This document has been created to give an overview of Danske Bank's approach to sustainability and our strategic priorities. For further information and related publications, please visit danskebank.com/sustainability.

Get in touch

We welcome any comments, suggestions or questions you may have regarding this publication or our performance. Please write to us at sustainability@danskebank.com.

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“Our ambition is to be a leading Nordic bank in supporting the sustainability transition.”

Creating lasting value for our customers, our business and society

For more than 150 years, Danske Bank has been helping its customers to navigate and adapt to the societal transformations that have taken place. Today, we are facing another major transformation - the scale and urgency of which has never been seen before.

Science has made it abundantly clear that we must find alternatives to economic systems that are based on fossil fuels and overconsumption of natural resources. This is the defining challenge of our time, and at Danske Bank we want to support our customers and society in the transition to a more sustainable future.

Need for decisive action and major investments

We recognise that transitioning to more sustainable production practices and consumption habits is complex and requires massive investments. Practically all aspects of our daily lives will be affected as society seeks to reduce emissions and protect nature while also adapting to the climate changes that are already taking place.

Danske Bank is Denmark's biggest bank and one of the largest financial institutions in the Nordic countries, with more than 3.2 million customers and total assets of over DKK 3,700 billion. In other words, we have the financial ability and want to take responsibility for making a real difference in enabling this massive transition.

Supporting our customers while managing risks and impacts

The approach we take at Danske Bank is expressed in our Purpose: To release the potential in people and businesses by using the power of finance to create sustainable progress today and for generations to come. Our Purpose is underpinned by our ambition to be a leading Nordic bank in supporting the sustainability transition of personal and business customers, the companies we invest in and Nordic societies.

This makes sustainability a key agenda for Danske Bank, which is why it is defined as a core pillar of our Forward '28 strategy. This also entails managing the impact of our business activities on people and our planet in line with societal goals - and managing risks associated with the sustainability transition to ensure our resilience as a bank so that we can continue to support customers for generations to come.

In this dynamic transition, our sustainability approach and priorities will continue to evolve in line with changes in science, the regulatory landscape and commercial opportunities. Along the way, we will work closely with others to develop a shared understanding of the sustainability agenda and accelerate progress. Now is the time for collective action, and we are ready to play our part.

Carsten Egeriis
Chief Executive Officer
Danske Bank





We aim to be an enabler of the sustainability transition

Human activities are creating existential threats to our societies and long-term sustainable life on Earth. Overcoming these threats requires societal change and a transition towards production and consumption patterns that support long-term well-being for people and our planet. The effects of the climate crisis are already being felt, and if future generations are to thrive, decisive action is needed now.

Solving these challenges requires a profound transformation of our economies, and massive investments will be required to replace polluting physical capital, change business models and drive technological innovation. The International Renewable Energy Agency has estimated that approximately USD 150 trillion will be needed globally by 2050 to achieve a net-zero economy in line with the Paris Agreement on climate change.¹ Moreover, it is estimated that annual investments must more than quadruple to remain on the 1.5°C pathway. While this is a daunting task, the cost of inaction is much greater.

Making the most of our role in the economy

Danske Bank is in a unique position to play a key role in the sustainability transition, with our systemic function in the economy, which includes mobilising, allocating and pricing capital in accordance with our assessments of risks and opportunities. In other words, by providing finance when and where it is needed most, we can promote economic growth, jobs and prosperity while also enabling societies to transition to a more sustainable economy.

As a large financial institution with activities across all economic sectors, our aim is to support our more than 3.2 million customers in their sustainability transitions.



Banks play a pivotal role in supporting large-scale transitions



by advising customers on risks and opportunities



and providing access to capital for sound investments in sustainable progress

Whether they are personal customers, small or medium-sized businesses or large corporates and institutions, we seek to actively engage with them on this agenda and provide them with industry-leading sustainable finance advice, products and services that help them in their journey. Alongside this, we also work to ensure sound management of sustainability-related financial risks as well as the impact that our business activities have on society.

¹ International Renewable Energy Agency: World Energy Transitions Outlook 2023





Prioritising our efforts where they matter most

The sustainability transition presents both major challenges and major opportunities – for our customers, our business and for society. To deliver on our ambition to be a leading Nordic bank for supporting the sustainability transition of our customers, the companies we invest in and Nordic societies, we have defined three strategic focus areas for our sustainability efforts:

- Support our customers in their transition
- Ensure a robust and resilient bank
- Manage our societal impact

These strategic focus areas provide the framework for how we aim to create lasting value for our customers, for our business and for society. In other words, they help us structure our efforts around sustainability-related opportunities, risks and impacts.

With these focus areas in mind, we have analysed our impacts on the world around us as well as our sustainability-driven risks and opportunities. We have tested the materiality of a

broad set of sustainability topics using prominent sustainability frameworks, including the UN Sustainable Development Goals (SDGs), Planetary Boundaries and the EU Taxonomy. On this basis, we have prioritised three overarching and interlinked societal challenges as our sustainability agendas:

- Climate change
- Nature & biodiversity
- Human rights & social impact

Our approach to these agendas is described in further detail on p. 9-10. For all three agendas, our business activities have impacts on the world around us, both up and down our value chain and through our own operations. However, it is important to note that we estimate our largest impacts to take place in our downstream value chain, through our lending and investment activities.

The strategy model on the following page summarises how we work across our three focus areas to address these three sustainability agendas.

Emissions explained

Scope 1, 2 and 3

The GHG Protocol Corporate Standard classifies a company's greenhouse gas (GHG) emissions into three scopes:

- **Scope 1** emissions are emissions from company owned or controlled sources and therefore known as direct emissions, e.g. from vehicles.
- **Scope 2** emissions are emissions from the generation of purchased energy and are therefore known as indirect emissions, e.g. from electricity.

- **Scope 3** emissions occur in the company value chain, including both upstream and downstream emissions, and are therefore known as indirect emissions (not included in scope 2), e.g. from the supply chain.

What are financed emissions?

For financial institutions, "financed emissions" (scope 3) are the largest source of emissions. These are generated as a result of financial services, investments and lending. According to our current estimates, Danske Bank's financed carbon emissions are almost 5,000 times larger than emissions from our own operations.





We work across three focus areas to address key sustainability agendas

Our strategic ambition

To be a leading Nordic bank in supporting the sustainability transition of customers, companies and Nordic societies

Strategic focus areas



Support our customers in their transition

Providing sustainability-related products, advisory and services



Ensure a robust and resilient bank

Managing sustainability-related risks in our business, with a focus on portfolio steering



Manage our societal impact

Minimising negative and maximising positive impacts of our business activities on people and the planet

Prioritised sustainability agendas



Climate change

Supporting the transition towards net zero



Nature & biodiversity

Supporting the protection of nature and ecosystems



Human rights & social impact

Supporting the protection of human rights





Our sustainability goals and targets

For each of the sustainability agendas that we have prioritised, we have defined goals and targets to steer our efforts and track our progress. Our targets will be calibrated on an ongoing basis

as our sustainability approach and priorities evolve in line with changes in science, the regulatory landscape and commercial opportunities.

Climate change

Climate Action Plan targets

 Lending	 Asset management	 Life insurance and pension	 Own operations
<p>2030 emission reduction targets²:</p> <ul style="list-style-type: none"> Oil and gas – exploration & production: 50% Oil and gas – downstream refining: 25% Power generation: 50% Steel: 30%³ Cement: 25% Commercial real estate: 55% Personal mortgages: 55% <p>2030 sector alignment delta target:</p> <ul style="list-style-type: none"> Shipping: 0%⁴ 	<ul style="list-style-type: none"> 1.5°C-aligned temperature-rating targets by 2040: 2.1°C and 2.2°C by 2030⁵ Weighted average carbon intensity 50% reduction by 2030² Engagement with the 100 largest emitters by 2025² 	<ul style="list-style-type: none"> 1.5°C-aligned temperature-rating targets by 2040: 2.0°C and 2.2°C by 2030⁵ <p>2025 emission intensity reduction targets⁶:</p> <ul style="list-style-type: none"> Energy: 15% Transportation: 20% Cement: 25% Utilities: 35% Steel: 20%³ <p>2030 emission intensity reduction target⁶:</p> <p>Real estate: 69%</p>	<p>2030 emission reduction targets⁶:</p> <ul style="list-style-type: none"> Scope 1 and 2 emissions: 80% Scope 1, 2 and 3 emissions: 60%

For more details, please refer to our Climate Action Plan from January 2023.

We track progress towards our net-zero commitments and the intermediate carbon emission reduction targets for our financed emissions and our own operations in our Climate Action Plan launched in January 2023. In our lending and investment portfolios, targets relate to high-impact sectors

such as shipping, oil and gas, power generation, steel, cement, and real estate.

A detailed status on our Climate Action Plan targets can be found in our Climate Action Plan Progress Report 2023.

² Baseline year 2020

³ Please note that the 30% target for lending applies from 2020 to 2030, whereas the 20% target for life insurance and pension applies from 2019 to 2025

⁴ Based on Poseidon Principles methodology

⁵ The first target covers scope 1 and 2; the second target covers scope 1, 2 and 3 emissions. The differences in targets between Asset Management and Life insurance and pension reflect different starting points of the portfolios.

⁶ Baseline year 2019





Nature & biodiversity

Engage with **380+ companies** by the end of 2025 on **Nature & biodiversity** in high-impact sectors

- **300+ business customers** in the agricultural sector
- **50+ large corporate customers** within food products, fisheries, forestry, pulp and paper, and shipping
- **30 large global companies** we invest in that have a significant impact on nature and biodiversity

Through engagement with companies in high-impact sectors, we seek to increase awareness of nature-related impacts and risks among our customers. This also helps us to better understand our own impacts and dependencies through our financ-

ing and investment activities. This is a first step for companies and for ourselves to be able to manage nature-related impacts and dependencies with the aim of supporting the protection of nature.

Human rights & social impact

Continuous development of our human rights due diligence processes across...

Companies we purchase from	Companies we lend to	Companies we invest in
Enhanced risk management	Enhanced assessment for high-risk sectors	Enhanced sustainability screening

We seek to continuously develop our human rights due diligence processes covering procurement, lending and investment activities.⁷

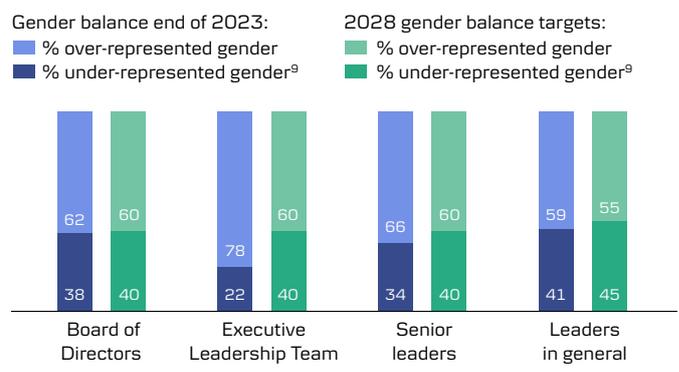
In procurement, focus is on developing and implementing enhanced risk management processes for suppliers with elevated human rights risks.

For lending, focus is on developing enhanced human rights assessments of corporate customers in high-risk sectors.

For investments, focus is on further developing our enhanced sustainability screening regarding human rights.

Within the social agenda, we also see diversity and inclusion in our own operations as an important theme, for which we use our targets on gender balance as a measure of progress.⁸

We have set 2028 gender balance targets for all leadership groups with an aim to increase the share of the under-represented gender⁹, as outlined in the figure below:



⁷ In this context, human rights risks are understood as risks of a company having adverse impacts on fundamental human rights, including labour rights, through their own operations or value chain.

⁸ We also track progress in relation to inclusion through our Culture & Engagement Survey.

⁹ Including all gender identities.



Our guiding principles and approach to key agendas

To guide our sustainability efforts and navigate the transition, we have developed the following set of principles:

- 1) We prioritise our sustainability efforts based on the materiality of topics in line with scientific guidance and focus on areas where we have the greatest impact.
- 2) We seek to enable the sustainability transition, and we prioritise engagement before exclusion - but we require credible transition plans and solid traction.
- 3) We take a holistic approach and seek to avoid doing any significant harm to some sustainability objectives while pursuing others.
- 4) We seek to increasingly integrate considerations on sustainability risks into our lending processes, pricing and portfolio management.
- 5) We seek to be transparent and engage with stakeholders to develop our approach and solutions.

In essence, this means that we concentrate our efforts on the topics, sectors and customer segments that have the greatest actual or potential societal impact and which are most financially material to our business. In doing so, we prioritise engagement before exclusion, and we strive to take a holistic approach and consider potential trade-offs. For example, we need to balance climate change mitigation with respect for human rights in the expansion of renewable energy. Furthermore, in all of our work, we aim to engage with customers, suppliers, partners and civil society to co-create and realise the necessary sustainable solutions.

Across society and at Danske Bank, the three sustainability agendas we work with are at different stages of maturity, with climate change being the most advanced in terms of measurement, goals and action. As knowledge and understanding of these fields increase, we continually develop and adjust our efforts. Below, we have outlined in more detail how we work with our three prioritised sustainability agendas.



Climate change

We support the transition towards net-zero carbon emissions by 2050 or sooner, in line with the goal of the Paris Agreement to limit the temperature increase to 1.5°C above pre-industrial levels. More specifically, we are guided by our commitments to UN-backed initiatives such as the Net-Zero Banking Alliance, as well as to the Partnership for Carbon Accounting Financials (PCAF) and to the Science Based Targets initiative (SBTi).

Climate change presents significant financial risks as well as significant opportunities for society. Large-scale investments are needed to reduce emissions and to adapt to the adverse effects of a changing climate. At Danske Bank, we already have a

broad range of sustainable finance offerings in place to support such investments.

In January 2023, we launched our Climate Action Plan, which serves as a roadmap towards net zero. This action plan is based on the mapping of our climate impact related to our financed emissions and our own operations, and it sets out our climate targets for high-impact sectors and our approach to engaging with customers about their transition plans. In February 2024, we published our first Climate Action Plan Progress Report, which describes our key actions and initial progress towards these targets.



Nature & biodiversity

We want to support the protection of nature and ecosystems and are guided by our commitment to the Finance for Biodiversity Pledge and to the Partnership for Biodiversity Accounting Financials (PBAF).

This agenda is closely linked to climate change and is itself highly material for Danske Bank in terms of societal impact, although with lower expected capital intensity in the short term and therefore with greater emphasis on risk and impact management.

Based on an assessment of our lending and investment portfolios, we have identified the sectors with the highest potential negative impact and dependencies on nature and biodiversity. This enables us to target and work with customers and investee companies in high-impact sectors such as agriculture, fisheries, forestry and shipping. In September 2023, we introduced targets for these engagements.



Human rights & social impact

We want to support the protection of internationally recognised human rights, including labour rights, across our value chain and in our own operations. In this regard, we follow the UN Guiding Principles on Business and Human Rights.

Whereas the commercial and financial importance of this agenda is currently considered to be lower than for Climate change and Nature & biodiversity, its importance in terms of

our societal impact is assessed as being substantial. Based on our mapping of potential human rights risks, we are focused on managing risks that adversely affect the rights of our own employees and of people in the societies where we operate, either directly or indirectly via business activities and partners. This includes continuous development of our due diligence processes and maintaining a human rights focus in the transition to net zero.



Supporting our customers in their transition

At Danske Bank, we are committed to supporting our more than 3.2 million customers in navigating the transition toward a sustainable future by providing a range of sustainable finance advice, products and services.

The green transition, and particularly the journey to climate neutrality, requires large-scale investment. Many businesses in the Nordic countries are already fully committed to this agenda and have set ambitious climate targets – ranging from the switch to renewable energy sources to building climate-friendly infrastructure, decarbonising steel and cement production, rebuilding transportation fleets and developing nature-positive business models. We are already working with customers across sectors to support them in meeting their climate targets.

Personal customers are also increasingly investing in initiatives to reduce their carbon footprint, both in their daily life and through their financial decisions. Whether they want to retrofit their homes for greater energy efficiency, switch to an electric vehicle or make investments that support sustainability, we are ready to provide relevant advice and financial offerings.

Below is a brief description of some of our sustainability-related products. On the following pages, we have included some more specific examples of how we support customers to achieve their sustainability goals.

Examples of Danske Bank's sustainability-related products

Green loans	Loans for assets and purposes that contribute to the transition towards a low-carbon, resilient and environmentally sustainable economy. The eligibility of assets, projects and companies for green loans is defined in our Green Finance Framework. Examples include energy-efficient buildings, renewable energy and clean transportation.
Sustainability-linked financing	These are a type of business loans for which interest rates are linked to a company's ability to achieve pre-determined sustainability targets. If the company does not achieve these targets, the interest rate increases.
Sustainable bonds and sustainability-linked bonds	Danske Bank helps corporate customers access financing by supporting them in issuing sustainable bonds, i.e. green bonds, social bonds or sustainability bonds. These are use-of-proceed bonds that exclusively finance customer projects and activities that have a positive environmental and/or social impact. For sustainability-linked bonds, the financing terms are linked to the customers' performance on selected sustainability indicators, similar to those used for sustainability-linked loans.
Responsible investments	We offer a wide range of investment products tailored to meet the sustainability preferences of our customers through inclusions, exclusions and/or active ownership activities focused on managing positive as well as negative societal impacts of our investments. See below for some specific product examples. Our investment management processes further take into account sustainability risks, acknowledging the potential and/or actual impacts such risks might have on the value of investment returns.



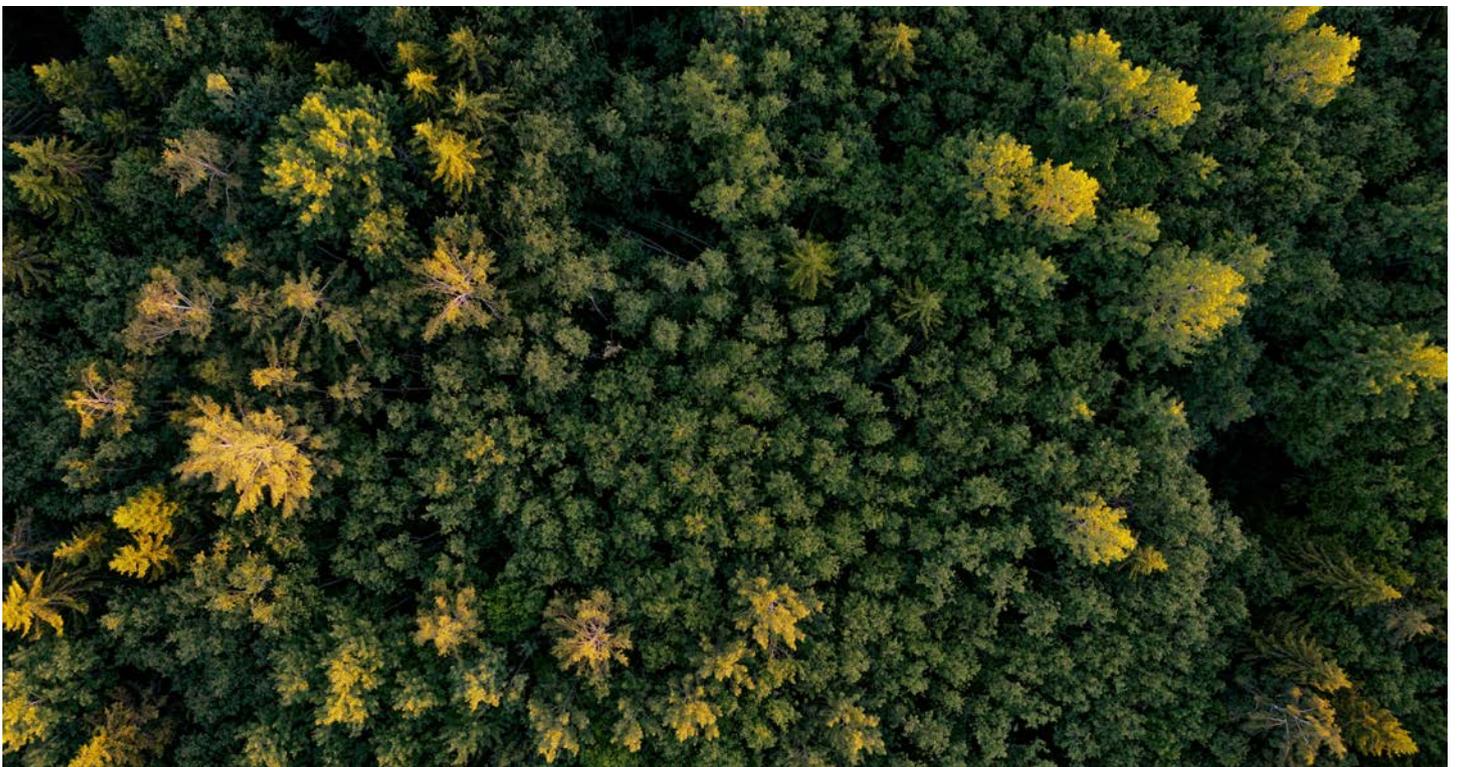
Accelerating sustainability through lending and investments

We strive to build long-term relationships with our customers so we can fully understand their situation and their sustainability priorities and preferences. With this knowledge, we can enable their transition by providing advice and financing that helps them achieve their goals.

An important enabler for us to be able to support customers in this regard is that our frontline staff have relevant knowledge about sustainability and the transition. At the end of 2023, on top of our Group-wide sustainability training, over 700 relationship managers and leaders from our Business Customers division and over 1,700 advisers and leaders from our Personal Customers division had received business-specific sustainability training.

When it comes to investments, we exercise active ownership by engaging with the companies we invest in on behalf of our customers. Often this is done collaboratively with other investors and through various initiatives on specific issues such as climate change or nature.

We always strive to support our customers and the companies we invest in to transition towards a more sustainable economy. However, if their transition plans and actions do not align with our priorities, expectations and sustainability goals, we may ultimately be forced to reduce or end the relationship.



Our priorities

 Large Corporates & Institutions	 Asset Management	 Business Customers	 Personal Customers
<ul style="list-style-type: none">• Support customers throughout the transition with leading sustainable finance products and advisory services	<ul style="list-style-type: none">• Enhance and develop investment products in line with customer sustainability preferences	<ul style="list-style-type: none">• Help customers advance on their sustainability journey with a combination of advisory services, tools and financing	<ul style="list-style-type: none">• Make sustainable choices easy for customers - with a focus on housing, mobility, daily banking, investments and pensions



Some examples of how we support our customers



Large Corporates

SSAB - The journey towards fossil-free steel

For thousands of years, steel has been made using coal to remove oxygen from iron ore - a process that emits vast amounts of CO₂. SSAB, a global steel company with production plants in Sweden, Finland and the USA, is looking to change this. SSAB's approach is to use hydrogen instead of coal in the ore reduction process, thereby emitting water instead of CO₂. Together with its partners and customers, SSAB aims to create a fossil-free value chain from the mine to the end-product. On top of this, SSAB offers steel based on recycled raw materials produced without fossil fuel emissions.

Danske Bank aims to enable the transition of high-emission companies in hard-to-abate sectors, and our work with SSAB

is a clear example of this. As a close financial partner of SSAB, on top of providing a suite of daily banking solutions, trade finance solutions and markets-related financial services, we have worked closely to support the company's financial needs in this transition journey. This has included advisory support focusing on the financial perspectives of the company's transition, which has implications beyond just carbon emission reductions. By realising its transition ambitions, SSAB can also position itself favourably in terms of higher profitability as the cost of emissions increases and consumer demand for low-carbon products grows. We look forward to continuing the journey together with SSAB as it seeks to transform the future of steel.





Asset Management

Providing opportunities to invest in a more sustainable future

When it comes to investments, we know that sustainability is a high priority for many of our customers. They want their investments to lead to positive environmental and social impacts, and they want to factor in sustainability-related risks and opportunities to safeguard the long-term value of their investments.

We offer a number of investment products to meet these needs. For example, our Emerging Markets Sustainable Future strategy makes it possible for investors to address sustainability challenges in emerging markets. This strategy invests in emerging markets companies with economic activities aligned with the UN Sustainable Development Goals (SDGs), for instance the goals relating to renewable energy, financial inclusion, healthcare and innovation.

Another example is our Global Responsible Portfolio, which offers customers across the Nordic markets five balanced strategies with diversification across equities and bonds and which have a strong profile in relation to sustainability. Each of these portfolios supports the UN SDGs by having a minimum of 75% in sustainable investments.

As a last example, our Alternatives – Global Future strategy aims to construct a portfolio of alternative investments that have a positive impact on climate. This can include investments in renewable energy, energy efficiency and green infrastructure. This fund is aimed at Private Banking customers and institutional investors.





Business Customers

Oslobuss – Realising the potential of electrification

In 2016, the Norwegian bus company Oslobuss made strides towards a more sustainable future with a forward-thinking strategy to make its fleet of buses emission-free. Danske Bank recognised the business potential of this transition and worked closely with Oslobuss to make this strategy a reality, making it the first Nordic company to shift from diesel to fully electric tour buses.

Oslobuss has also implemented a digital fleet management system and invested in solar panels and battery storage to provide green energy for charging. This enables the company

to position itself as a provider of green bus transportation – and the company has even expanded its business to offer charging facilities for heavy transport.

Along the way, Danske Bank has been in close dialogue with Oslobuss about its ambitions and supported the company with advice and a range of financial solutions, including for leasing of the relatively expensive electric buses. Looking ahead, Oslobuss aims to build a fleet comprised solely of electric and biogas-fuelled buses, enabling the company to offer an even wider range of green transportation solutions.



Port of Aabenraa – A simple ESG tool with a big effect

While many small and medium-sized businesses recognise that sustainability is important for their business and are keen to move ahead on the transition, it can be difficult to know where and how best to do so. This was the case with the Port of Aabenraa, a commercial port located in southern Denmark.

To make it easier for small and medium-sized enterprises such as the Port of Aabenraa to advance on their sustainability transition, Danske Bank has been involved in creating a strategic ESG tool. This free digital tool, called ESG Profilen (the ESG Profile), is designed to help businesses get an overview of their environmental, social and governance priorities.

With this tool, the Port of Aabenraa was able to map out the expectations and requirements of the company's most important stakeholders, together with an overview of its existing initiatives. Furthermore, the company could use these insights to prioritise focus areas and get inspiration for specific sustainability initiatives.

ESG Profilen was launched in May 2023 by Lederne in partnership with, among others, Danske Bank. Looking ahead, Danske Bank aims to provide customers with even more ESG tools and services that can help them progress on their sustainability agenda and strengthen their business.





Personal Customers

Simplifying the green transition at home

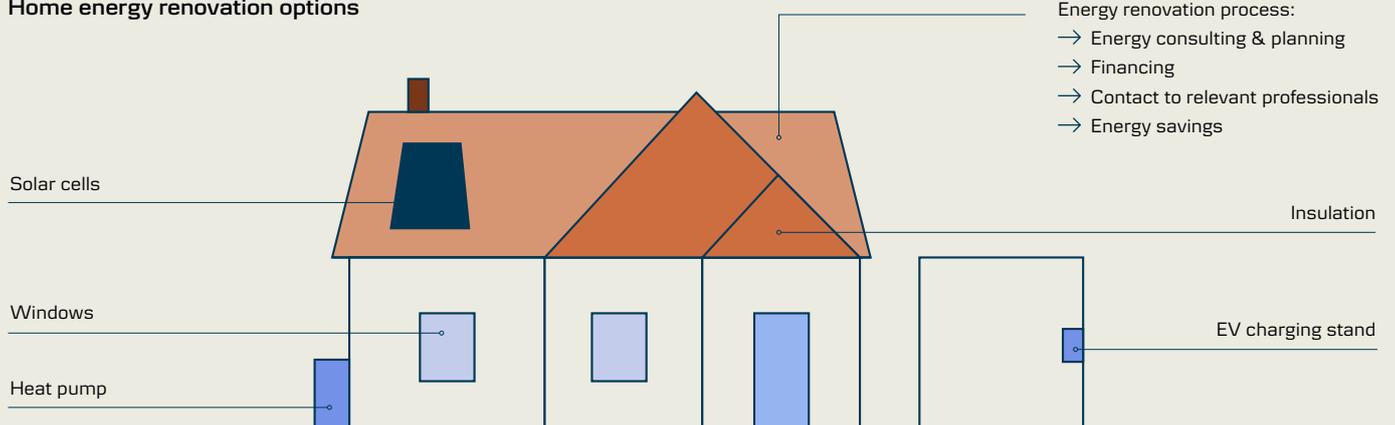
Personal customers often face challenges navigating the process of home energy improvements and finding the sustainability solutions that best suit their individual needs. Because it can feel quite daunting to replace a gas boiler with a heat pump, install solar panels, or add insulation to a house. For example, customers can feel unsure about how to access qualified installers of energy saving measures and upgrades or about what benefits can be achieved and how much it will all cost.

Danske Bank has already established a range of offerings and activities to support and encourage our personal customers to invest in home energy improvements, particularly in Denmark. These include products such as green loans for energy-efficient homes, loans for energy-efficiency improvements and partnership offerings to guide home retrofitting and upgrades. One such partnership offering is with the consulting engineer firm OBH, which provides customers with a home renovation and energy plan, including recommendations and price estimates. Another example is Energihjem.dk, a digital platform where homeowners can get inspiration and guidance for home and energy-efficiency improvements.

Towards 2028, we want to make sustainable choices even more accessible and easy to navigate for our personal customers. To do this, we are adopting a more holistic approach to accelerate the green transition of private homes, integrating customer journeys towards energy-efficient homes with their financial situation and preferences. Beyond addressing financial needs, we aim to reduce customer barriers at every step along the way by integrating sustainable options seamlessly into our offerings and platforms. By providing insights, expert guidance, and facilitating connections with reliable professionals (such as carpenters, electricians, or insulators), we aim to simplify the entire process for customers who are planning home improvements.

Our integrated approach extends beyond home improvements and includes offerings such as smart home technology and electrical vehicle charging infrastructure. This is another part of Danske Bank's dedication to making sustainable choices easier for our customers.

Home energy renovation options





Ensuring a robust and resilient bank

The major sustainability challenges we face as a society also imply serious financial risks for individuals and for companies – and ultimately for the robustness of banks and our financial system. These can be either physical risks (such as extreme weather or damage to ecosystems) or transition risks (such as risks resulting from legislation and regulation meant to address sustainability challenges). For both types of risk, Danske Bank must take appropriate action to measure, monitor and mitigate such risks. This is how we can continue to help customers in the future, for the benefit of society at large.

Danske Bank manages sustainability-related risks to our business as part of our overall Enterprise Risk Management.

Further integration of sustainability considerations into our existing risk management processes is an ongoing area of focus. Across our three prioritised sustainability agendas, risk management is most mature in relation to climate change and the net-zero transition, as reflected in our annual Risk Management Report.

As we continue to refine our efforts, building on our insights from the climate change agenda, we are also strengthening our focus on other aspects of the broader sustainability agenda. In particular, we are looking at risks relating to our sustainability agendas of Human rights & social impact and Nature & biodiversity from a strategic and regulatory perspective.

Our priorities

Steer portfolios in line with transition requirements

- Enhance ESG risk assessments and monitor high-impact customers
- Optimise data flows with prioritised and emerging sustainability topics

Expand our understanding of sustainability risks

- Further embed management of sustainability-related risks as part of our Enterprise Risk Management framework, including refinement of financial materiality assessments
- Further develop frameworks for measuring and managing biodiversity and human rights risks

Manage operational risks related to sustainability

- Enhance our framework for monitoring and prioritising sustainability risks
- Further define roles and responsibilities for risk management related to new guidance, disclosures and standards



Managing our societal impact to increase positive outcomes

Through the scale and scope of our business activities, Danske Bank has multiple and far-reaching societal and environmental impacts extending across global value chains. We have already taken steps to map and manage these impacts through our involvement in voluntary financial sector initiatives, including the UN Principles for Responsible Banking and the Net-Zero Banking Alliance. We have further developed these efforts in light of the EU Corporate Sustainability Reporting Directive that came into force in 2024.

In relation to our three main sustainability agendas of Climate change, Nature & biodiversity and Human rights & social impact, we have made considerable progress. Our Climate Action Plan sets out a clear roadmap for our business towards net zero, and we have used our assessment of nature & biodiversity impacts and dependencies to set customer engagement targets. Furthermore, our mapping of human rights impacts

has been used to develop an implementation plan to enhance our processes in this area.

Mapping and gaining transparency of global value chains is a complex task, and we recognise that there is still much to be done. Towards 2028, Danske Bank will develop a more comprehensive impact management framework to enhance our ability to assess, measure and manage impacts across a broad set of sustainability topics in our upstream and downstream value chains.

We also manage impacts in our own operations, for example when it comes to climate change and social impact. This includes promoting diversity and an inclusive culture throughout our organisation that nurtures a sense of belonging where all employees feel valued and supported so they can be their best.

Our priorities

Climate change	Nature & biodiversity	Human rights & social impact
<ul style="list-style-type: none"> • Progress on our Climate Action Plan, building on engagement with customers and investee companies • Collaborate with stakeholders through e.g. industry initiatives and international associations 	<ul style="list-style-type: none"> • Build understanding of nature-related impacts and dependencies • Work with companies in high-impact sectors on ways to reduce impact 	<ul style="list-style-type: none"> • Further develop human rights due diligence processes across procurement, lending and investments • Advance our Diversity & Inclusion agenda and maintain high-level of employee well-being and engagement



A solid foundation for enabling progress

We have identified four key enablers to empower us in supporting the sustainability transition of our customers, the companies we invest in and society at large. With these, we anchor sustainability efforts across our organisation and enhance our ability to drive progress.

Four key enablers to deliver on our sustainability ambitions



Working together towards common goals

If we are to succeed in our sustainability ambitions, we need to work with customers and stakeholders from all backgrounds. That is why in addition to our customer relationships we are in regular dialogue with investors, civil society organisations and industry associations. We also participate in national, regional and international industry initiatives on sustainability, such as the Net-Zero Banking Alliance, the Principles for Responsible Banking and a range of investor initiatives.

We strongly believe in the power of collaboration. By working together, we gain a shared understanding of the challenges we face and a broader view of how to tackle them.

Governance, reporting and transparency

Sustainability governance at Danske Bank is anchored with the Board of Directors and the Executive Leadership Team. Additionally, we embed sustainability responsibilities throughout the organisation to ensure all parts of Danske Bank contribute to our progress.

We hold ourselves accountable through targets and indicators that track our overall progress and assess our impact. Our performance is reported annually and supplemented by a broader range of KPIs. We also integrate sustainability-related KPIs into our performance management framework to ensure that remuneration is linked to Danske Bank's sustainability ambitions and key targets.





A financial partner for a better world

A profound transformation of society is required to solve the current sustainability challenges. At Danske Bank, we see it as our role to act as a catalyst for change and use the power of finance to create and accelerate sustainable progress in society.

As a leading Nordic bank with customers and activities across almost all sectors, Danske Bank has both a responsibility and the financial ability to enable the sustainability transition through our core business activities.

We are committed to ensuring that capital is allocated to projects and activities that are socially, environmentally and commercially sustainable, thereby contributing to a prosperous, stable, net-zero economy and a sustainable future in collaboration with our stakeholders.

Learn more about our work with sustainability

Stay up to date with the most recent developments at danskebank.com/sustainability. From this web page, you can also find the following sustainability publications:

- Danske Bank Annual Report 2023 – includes sustainability statement with assured ESG data
- Risk Management 2023
- Sustainability Fact Book 2023 – provides additional non-assured ESG data and information
- Climate Action Plan Progress Report 2023
- Active Ownership Report for Danske Bank Asset Management and Danica Pension
- Statements on principal adverse impacts of investment decisions on sustainability factors
- Self-assessment for implementation of the Principles for Responsible Banking 2023
- Statement on Modern Slavery Act 2023
- Human Rights Report, published May 2023
- Danske Bank position statements on fossil fuels, mining & metals, forestry, agriculture, etc.

Get in touch

We welcome any comments, suggestions or questions you may have regarding our work with sustainability. Please contact us at sustainability@danskebank.com.

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