

# Human Rights Report

Danske Bank Group  
31 May 2024



## WE SUPPORT



## About this report

This Human Rights Report covers the financial period 1 January 2023 to 31 December 2023 and encompasses the activities of the entire Danske Bank Group (Danske Bank/the Group), which includes Danske Bank A/S and all subsidiaries and organisational branches, including Danica Pension, Danske Invest Asset Management AS and Danske Bank Norwegian Branch. This report represents our duty to account for our human rights due diligence in accordance with section 5 of the Norwegian Transparency Act.<sup>1</sup> Danske Bank A/S is subject to the Norwegian Transparency Act due to its activity in Norway through Danske Bank Norwegian Branch and Danske Invest Asset Management AS.

The report is available in English at [danskebank.com/sustainability](https://danskebank.com/sustainability) and at [danskebank.com/no/samfunnsansvar](https://danskebank.com/no/samfunnsansvar). The report is available in Norwegian at [danskeinvest.no/page/ansvarlige\\_investeringer\\_innsikt](https://danskeinvest.no/page/ansvarlige_investeringer_innsikt).

Pursuant to section 5 of the Norwegian Transparency Act, the report will be updated annually no later than 30 June each year or in the event of significant changes to Danske Bank's human rights risk assessment.

This report has been approved by the Danske Bank Board of Directors.

### Our duty to inform

If you have any enquiries about how Danske Bank works to cease, prevent and mitigate potential and actual adverse impacts on human rights and decent working conditions, please contact us at [aapenhetsloven@danskebank.no](mailto:aapenhetsloven@danskebank.no).

### Get in touch

We welcome any comments, suggestions or questions you may have regarding our sustainability performance in general. Please contact us at [sustainability@danskebank.com](mailto:sustainability@danskebank.com).

### Follow us

You can stay up to date on the most recent developments in our sustainability work at [danskebank.com/sustainability](https://danskebank.com/sustainability), and you can follow Danske Bank on X (formerly Twitter), LinkedIn and Instagram.



<sup>1</sup> Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)



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# Message from our CEO

Dear reader,

As one of the largest Nordic financial institutions, Danske Bank plays a pivotal role in supporting the sustainable development of societies and businesses. Our mission extends beyond serving our 3.2 million customers to serving societies we are part of. We aim to be a leading bank in the Nordic region in facilitating the sustainability transition. Our efforts to support a sustainable transition involve safeguarding human rights and decent working conditions. With this report we aim to provide transparency of our approach to human rights.

In 2023, we updated our Position Statement on Human Rights and published our first Human Rights Report. We implemented a human rights module for our ESG credit risk assessment to help advisers identify ESG risks associated with corporate lending activities. We also conducted enhanced sustainability screenings of selected companies potentially

involved in human rights controversies, and we excluded 26 companies due to forced labour risks. Furthermore, we developed an ESG supplier risk assessment framework to manage potential adverse human rights impacts among our suppliers.

Internally, we led a transformation of our efforts towards diversity and inclusion, creating ownership in both leadership and the business, and we set new gender diversity goals to achieve a 40% representation of the underrepresented gender across our leadership.

We are continuously striving to enhance our human rights due diligence across all activities. As we progress with our Forward '28 strategy, we will refine our focus on human rights and aim for continuous development of our human rights due diligence efforts.



**Carsten Egeriis**  
Chief Executive Officer  
Danske Bank

# Reporting on the Norwegian Transparency Act

This report outlines Danske Bank's human rights due diligence efforts following section 5 of the Norwegian Transparency Act<sup>2</sup> (the Act), coordinated at Group level and applicable to all entities, including Danske Bank Norwegian Branch and Danske Invest Asset Management AS. The report includes content beyond the Act's scope, notably relating to Danica Pension. Activities of Danske Bank Norwegian Branch are reflected in all activities described in the report, except for those referring specifically to Danica Pension. Activities of Danske Invest Asset Management AS are covered specifically in the sections 'Danske Bank as Employer', 'Investments' and 'Procurement'.

The report captures our ongoing progress in implementing measures to prevent and mitigate adverse impacts on human rights and working conditions whilst acknowledging that there are areas in which we can improve.

Pursuant to section 5a of the Act, the 'About Danske Bank' section provides a general

description of the structure and area of operations of Danske Bank A/S, Danske Invest Asset Management AS and Danske Bank Norwegian Branch. Guidelines and procedures for handling adverse impacts on fundamental human rights and decent working conditions can be found in 'Human rights governance and executive oversight', and their applicability in relation to ceasing, preventing and mitigating adverse human rights impacts is described in 'Managing potential adverse impacts in our own operations', 'Managing potential adverse impacts in our value chain', 'Combatting human trafficking as a financial crime' and 'Grievance mechanisms and remediation'.

Pursuant to section 5b of the Act, the report addresses significant risk areas identified through due diligence. These are described as our most severe potential adverse impacts on human rights. The 'Key focus areas' section provides more details on this aspect. While we continue to evaluate all human rights impacts, our primary attention is on mitigating

the most severe potential risks. Upon identifying any actual adverse impacts, we act on our awareness (section 5c of the Act). This report includes case studies of incidents that have been identified and resolved in 'Managing potential adverse impacts in our value chain'. Regarding actual adverse impacts within our organisation, we identify and assess these through internal processes such as our twice-yearly employee engagement surveys, detailed in 'Managing potential adverse impacts in our own operations'.

Pursuant to section 5c of the Act, the report outlines measures in place to cease actual adverse impacts or mitigate significant risks of adverse impacts. Detailed information about these efforts and measures can be found throughout the report, including case descriptions in 'Managing potential adverse impacts in our own operations', 'Managing potential adverse impacts in our value chain' and 'Combatting human trafficking as a financial crime'.

The report also provides information about both expected and achieved results of these measures. Tracking specific results related to human rights impacts can be challenging, and we are exploring ways to address this. Future measures the Group plans to implement are detailed in the 'Looking ahead' section.

<sup>2</sup> Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions [Transparency Act]

# About Danske Bank

Danske Bank is one of the largest financial institutions in the Nordic region and has for 150 years been helping to enable growth and development across society. Over this period, we have developed in tandem with the societies we are part of, and with long-term sustainable development as our ambition, we work every day to be the best possible bank – for the benefit of our customers, employees, shareholders and the greater society.

Today, Danske Bank has over 20,000 employees in ten countries and serves more than 3.2 million personal and business customers in eight countries.<sup>3</sup> In addition to banking services, the Danske Bank Group provides life insurance and pension products (including health insurance), mortgage finance, asset management, real estate agency services and leasing.



## Danske Bank in numbers:

**3.2 million+**  
personal and business  
customers

**Deposits:**  
>DKK 1,100 billion

**Loans:**  
>DKK 1,700 billion

**2,000+**  
large corporate and  
institutional customers

**Assets under Management:\***  
>DKK 1,200 billion

**Active suppliers:**  
2,000+

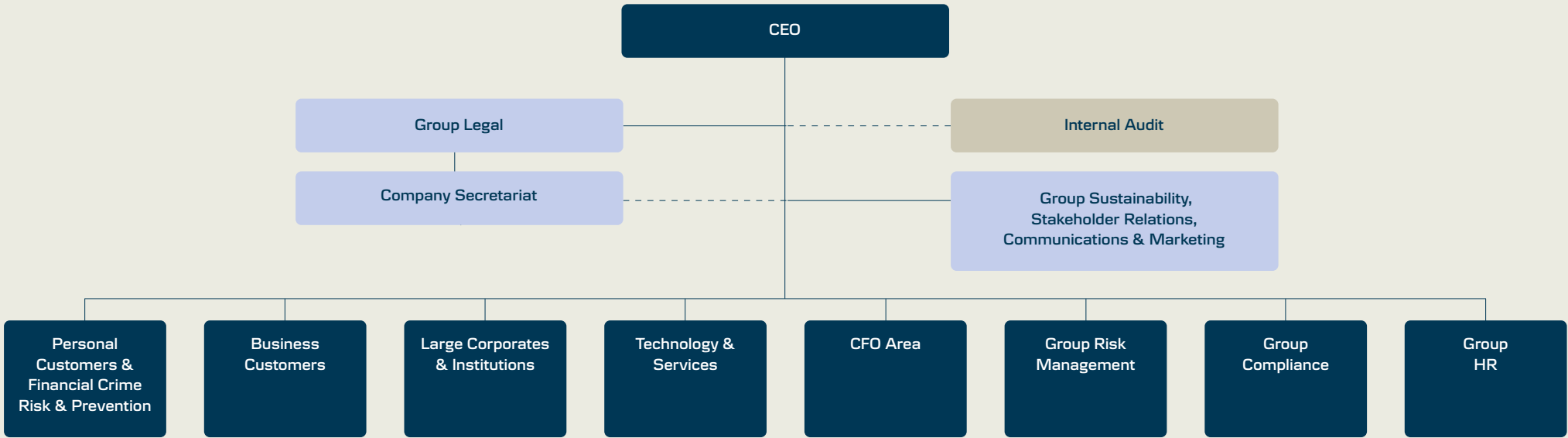
**20,000+**  
employees in 10 countries

\* Includes Danske Invest Asset Management AS and Danica Pension's assets under management

<sup>3</sup> Denmark, Sweden, Norway, Finland, UK, Ireland, Poland and USA.

All figures are per end of 2023.

## Danske Bank's organisation

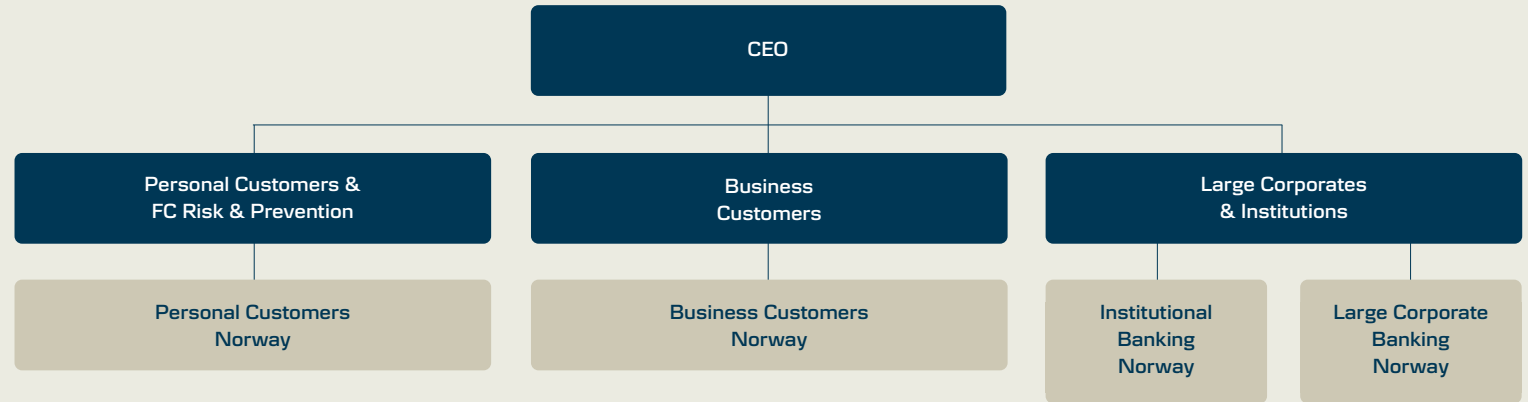


The following section describes three specific entities of Danske Bank. Two of these, Danske Bank Norwegian Branch and the Danske Bank subsidiary Danske Invest Asset Management AS (DIAM), are specifically highlighted in this report because they are independently subject to the Norwegian Transparency Act. Information about Danica Pension is also included here and throughout the report to reflect how we work with human rights from an insurance perspective. We provide examples of this in the 'Providing Services' section of this report under 'Own operations'.

The organisational charts depict how the activities of these three entities are governed as part of the Group.

**Danske Bank Norwegian Branch**

In Norway, Danske Bank is the third-largest bank and serves personal and business customers as well as large corporations from 28 branches and four regional finance centres across Norway.



Head of Personal Customers Norway reports to Group Head of Personal Customers & Financial Crime Risk & Prevention. In June 2023, Danske Bank announced that it had initiated a process that will result in Danske Bank exiting the Norwegian personal customer market.

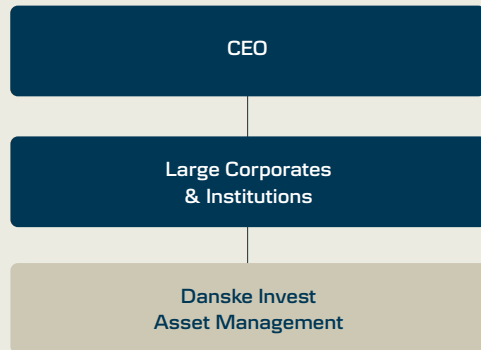
Business Customers Norway consists of six organisational units, each reporting to its respective Nordic Head, who then reports to Group Head of Business Customers. Head of Advisory Banking NO is responsible for coordinating Business Customers activities in Norway.

Large Corporates and Institutions Norway consists of Institutional Banking and Large Corporate Banking. Both ultimately report to Group Head of Large Corporate and Institutions. Head of Large Corporate Banking Norway is responsible for coordinating the activities of Large Corporates & Institutions in Norway.



### Danske Invest Asset Management AS

Danske Invest Asset Management AS (DIAM) is a Norwegian subsidiary of Danske Bank and is a licensed fund manager of UCITS (Undertakings for Collective Investment in Transferable Securities) and AIFs (alternative investment funds). DIAM manages funds of approximately NOK 130 billion on behalf of its Norwegian customers. DIAM follows Group policies and instructions in all daily contact with institutional and professional customers. Local adaptations of policies and instructions are developed where necessary to accommodate specific local regulatory requirements.

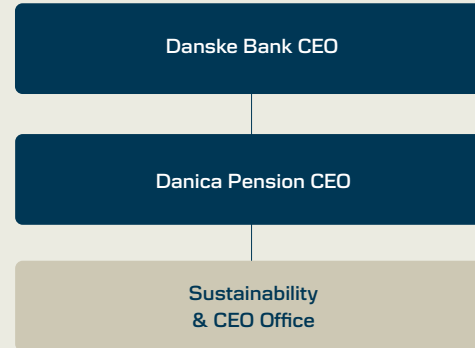


### Danica Pension

Danica Pension is a wholly owned subsidiary of Danske Bank, operating in Denmark and specialising in providing pension schemes, life insurance policies and health insurance cover. At year-end 2023, Danica Pension had 747,315 customers and managed pension funds of DKK 440 billion. The annual contributions to pension savings amounted to DKK 38.6 billion in 2023.

Danica Pension aims to foster a healthier society with reduced sick leave through its healthcare services which include preventive measures and treatments for physical and mental illnesses. Offerings involve health insurance, income protection, critical illness cover and the Danica Health Package. Additionally, Danica Pension enhances customers' financial security by providing personalised pension services tailored to diverse individual needs.

As part of the Danske Bank Group, Danica Pension follows Group policies and collaborates closely with other Group entities through sharing of platforms, processes and knowledge.



# Our commitment

Danske Bank is committed to respecting fundamental human rights and ensuring decent working conditions<sup>4</sup>, both internally and through our business relationships. We recognise our potential to cause, contribute to or be linked to adverse human rights impacts, such as how employees are treated and through our suppliers' adherence to labour rights. This extends to our lending and investment activities.

We work to identify, prevent and mitigate risks of adverse impacts on human rights, including all human rights as stated in the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. In doing so, we follow the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.

Moreover, as a signatory of the UN Global Compact, the UN Principles for Responsible Investment and the UN Principles for Responsible Banking, we implement commitments laid out in these frameworks. We also take note of other international frameworks

such as the Equator Principles and the UN Women's Empowerment Principles.

Beyond this, we observe state duties to protect human rights as laid out in documents such as the ILO Global Business and Disability Network Charter, Global Framework Agreement on Human Rights and Corporation with Unions and ILO Convention No 169 on Free, Prior and Informed Consent, and the UN Declaration on the Rights of Indigenous Peoples.

We continuously strive to improve our sustainability practices to meet international expectations. Key to this is safeguarding human rights by implementing measures to prevent adverse human rights impacts in our operations and business activities. We use our leverage to drive action to cease any harm we become aware of.

Our employees are expected to respect human rights in line with our Code of Conduct Policy and sustainability-related guidelines. Danske Bank's Human Rights Position Statement outlines our approach to human rights.



<sup>4</sup> Throughout this report, all references to human rights cover fundamental human rights and labour rights, including decent working conditions.

# Human rights governance and executive oversight

At Danske Bank, governance of sustainability, including managing and mitigating potential adverse impacts on human rights, is anchored at the level of the Board of Directors (BoD) and the Executive Leadership Team (ELT). Additionally, we embed human rights responsibilities and build competencies across the Group to further advance the integration of sustainability across our business.

## Business Integrity Committee

The ELT's Business Integrity Committee (BIC), chaired by our CEO, is the overall Group governing body of sustainability matters. The BIC has a mandate to endorse Danske Bank's strategic direction, ambition level and related policies while also developing and overseeing the implementation of our Sustainability Strategy.

A subcommittee on responsible investment reports to the BIC. Danske Bank also has councils on sustainable finance and diversity and inclusion that advise the BIC on the overall strategic direction and review business unit roadmaps within these areas.

In addition to the BIC, executive committees such as our Group Credit Committee and Group All Risk Committee increasingly address sustainability-related risks, including risks related to human rights. The work of the committees informs the ELT's sustainability discussions with the BoD.

## Danske Bank's position statement, policies, instructions and procedures relevant for our human rights governance

- Position Statement on Human Rights
- Responsible Investment Policy
- Exclusion Instruction
- Procurement Policy
- Supplier Code of Conduct
- Global Transgender Instruction
- Whistleblowing Policy\*
- Credit Policy\*
- ESG Credit Risk Assessment Instruction\*
- Treating Customers Fairly Policy\*
- Conduct Risk Policy\*
- Conduct Risk Instruction\*
- Code of Conduct Policy\*
- Diversity and Inclusion Policy
- Financial Crime Policy\*
- Group Compliance Policy\*

*\*Internal documents*

**Overall roles and responsibilities – human rights due diligence**

Our implementation of human rights due diligence follows the process description of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and is carried out across Group and business functions in relation to both our own operations and our business relationships. This includes our credit approval of corporate customers, our investment decisions and our procurement decisions. Our guidelines, screenings and engagement efforts form part of our ESG risk identification and management.

Group Sustainability is responsible for developing, coordinating and reporting on the Group's efforts and overall progress on human rights. Group Sustainability is also responsible for reporting internally on the status of implementation of human rights due diligence to the Business Integrity Committee.

Business Units and first-line Group functions are responsible for contributing to the effective implementation of human rights

due diligence within their individual area of responsibility. Group Risk Management as a second-line function has responsibility for oversight of risk management. Group Compliance also has oversight of non-financial risks relating to compliance with laws, regulations and internal policies, commitments and guidelines relating to human rights and human rights due diligence.

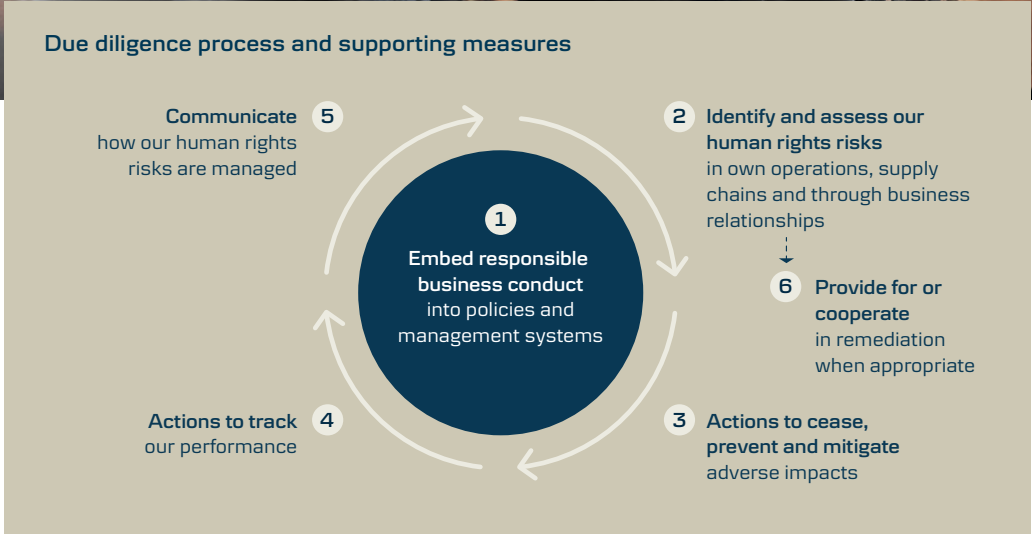
Implementation of human rights due diligence within each branch/subsidiary is defined and carried out at Group level. The following describes roles and responsibilities for human rights due diligence in Danske Bank Norwegian Branch, Danske Invest Asset Management AS, and Danica Pension.

**Danske Bank Norwegian Branch**

In Danske Bank Norwegian Branch, the Country Manager is responsible for executing on sustainability efforts defined by the Group, including the implementation and execution of human rights due diligence.

**Danske Invest Asset Management AS**

As a subsidiary with an independent licence



to operate in Norway, Danske Invest Asset Management AS's board of directors and senior management is responsible for executing on sustainability efforts defined by the Group, including the implementation and execution of human rights due diligence.

**Danica Pension**

In Danica Pension, the responsibility for sustainability – including the oversight of implementation of human rights due diligence – sits with Head of Sustainability & CEO Office, who reports to the CEO in Danica Pension.

The Head of Sustainability & CEO Office also represents Danica Pension in the Responsible Investment Committee in Danske Bank, where sustainability matters can be escalated to the Business Integrity Committee, if relevant. Danica Pension has a close collaboration with the Responsible Investment team in Danske Bank A/S, which is responsible for developing the responsible investment frameworks that Danica Pension operates within, following the same standards as described in the section about investments in this report.

# Key focus areas within human rights



Our due diligence efforts are based on an understanding of the human rights risks<sup>5</sup> that a financial institution faces and on an assessment of Danske Bank’s most severe potential adverse impacts on human rights.

Human rights risks are understood as risks of a company having potential adverse impacts on human rights, including labour rights, through its own operations or value chain. The concept of risk places a focus on risk to people rather than on risk to the business.

Potential adverse impacts on human rights vary according to our role across our own operations and within our value chain, including our procurement, investment and lending activities.

The assessment enables us to strengthen and develop the appropriate measures, practices and procedures to manage and mitigate adverse impacts.

In connection with the assessment of Danske Bank’s most severe potential adverse impacts on human rights, an implementation plan has been constructed that includes a variety of internal measures to increase capacity and capabilities to mitigate such adverse impacts.

Alongside this, initial steps were taken in 2023 to generate human rights-based objectives across our value chain, seeking to further incorporate human rights risk mitigation into Danske Bank’s sustainability efforts.



<sup>5</sup> A company's human rights risks are not per default congruent with material risks as defined under the Corporate Sustainability Reporting Directive (CSRD).

## Key focus areas in Danske Bank's own operations

As a large employer and service provider, Danske Bank is aware of the responsibility to promote and ensure a safe and healthy work environment for employees and fair treatment of its customers. Danske Bank potentially has adverse impacts on some human rights issues.

### Discrimination and harassment

Being an employer, there is an inherent risk of unintentionally discriminating employees during hiring practices, promotions, wage setting etc. Workplace harassment can take place in the form of bullying, sexual intimidation or pressure to perform, and the effects can have a grave impact on victims' lives, physical, mental and emotional health, and overall well-being. Discrimination and harassment can also occur in relation to the service we provide to our customers.

### Collective bargaining and freedom of association

Employees should not be restricted from joining a trade union and entering into collective bargaining agreements in all countries in which we operate. Both freedom of association and the right to collective bargaining are enabling rights; the fulfilment of these rights will enhance good working conditions and the opportunity to earn a living wage.

### Privacy

Danske Bank collects personal data on employees, customers and others who interact with us and our services, and we must therefore manage and mitigate the risk of breaching the right to privacy in the collection and further processing of personal data.



## Key focus areas in Danske Bank's value chain

In the Nordic region, our due diligence efforts are typically centred around the more localised issues of the region, including discrimination and harassment in the workplace and towards our customers, and around ensuring our customers, employees and others have the access to privacy.

But through our investment, lending and procurement activities, we have impacts on a wider global scale. In this context, we seek to prevent and mitigate potential adverse impacts on a broader range of human rights relevant to people and societies that are indirectly affected by our activities. Danske Bank potentially has adverse impacts on a number of human rights issues through its business activities. These issues are addressed as part of our screenings and assessment of our suppliers, the companies we lend to and the companies we invest in. The degree to which we address the issues varies depending on, among other things, sector-specific thresholds. The following sections describe measures in place to prevent and mitigate adverse impacts on these issues.

### Working conditions

Employees of businesses in all sectors may experience poor employment conditions, low wages, long hours and compulsory overtime, unequal and unfair wages, failure to provide safety and security in the workplace, and restrictions of freedom of association and the right to collective bargaining. Minority groups are the most exposed to these risks.

### Occupational health and safety

At particular risk of severe work-related injury and health issues are employees of companies working with extraction of raw materials and employees of companies in the transportation sector and sectors where heavy machinery and chemicals are used in the production processes, such as agriculture, shipping, chemicals, utilities and infrastructure.

### Child labour

Child labour includes the employment of children in a manner that is economically exploitative and is likely to be harmful to the child's health or social development.

### Modern Slavery

Forced labour includes any work or service that an individual carries out under the threat of a penalty or where they have not voluntarily entered into an employment contract. Because of their vulnerability, migrant and immigrant workers are likely victims of forced labour.

### Community health and safety

Local communities may experience adverse impacts because of a business not respecting the rights of individuals and communities that are located in close proximity to the business's operations, for example when pollution leads to damage to people's health through contamination of the food chain and water supply.

### Indigenous peoples

Indigenous peoples face disproportionate human rights risks connected to land grabbing. This group is particularly vulnerable due to issues such as cultural heritage, a strong dependence on natural resources, the lack of governmental recognition of indigenous peoples' rights (including the right to Free Prior and Informed Consent (FPIC)), and spiritual and religious meaning attributed to certain sites and natural resources.

### Land and resettlement

Involuntary resettlement occurs when affected people do not have the right to refuse land acquisition and are displaced, which may result in widespread land disputes, social conflict, poverty and social insecurity.

# Measures to cease, prevent and mitigate adverse human rights impacts

Danske Bank takes diverse measures to mitigate adverse impacts on human rights and decent working conditions. This includes building human rights capacity across our organisation and managing potential severe impacts within our roles as an employer, service provider, lender, investor and procurer. Our human rights due diligence is based on our existing frameworks for identifying and addressing sustainability risks. We also leverage our position to encourage sustainable practices within our value chain to mitigate adverse impacts.

## Building human rights capacity and capabilities

During 2023, we integrated human rights expertise into our Group functions and business units, allocating responsibilities and resources to legal, compliance, procurement, corporate lending and asset management functions.

In addition, we focused on building human rights capacity within the bank. This involved integrating human rights content into our sustainability training programmes for the Board of Directors, targeted learning sessions on human rights due diligence, and briefings on our planned human rights efforts to a broader employee audience.

Building human rights capacity and capabilities will continue to be in focus as it is key to achieving the ambitions set out in our Forward '28 strategy, within which human rights is a key sustainability theme.<sup>6</sup>



<sup>6</sup> Sustainability-approach-and-priorities,-d-,our-strategic-direction-towards-2028.pdf [danskebank.com]



## Managing potential adverse impacts on human rights in our own operations - Danske Bank as an employer

As an employer, it is essential for Danske Bank to foster a sustainable work environment that is free from discrimination and harassment.

We use our employee engagement surveys and our whistle-blowing system to identify risks or actual adverse impacts on employees' rights at work. In 2022, we conducted a specific survey on harassment and discrimination, and we are working to integrate this focus into our twice-yearly employee engagement surveys.

A total of 95% of staff members participated in our employee engagement survey held in October 2023. In survey questions relating to discrimination and harassment, 91% of respondents expressed satisfaction regarding fair treatment in the areas of diversity and discrimination. Equally, 91% of respondents reported that they feel safe about sharing their concerns if they were to encounter any wrongdoing.

### Transfer of employees to new supplier of digital services

In September 2023, Danske Bank sold its Danske IT subsidiary to Infosys. All Danske IT employees were offered a transfer to Infosys, resulting in 1,400 employees moving to the new supplier. This meant that Danske Bank no longer has employees in India. The potential adverse impacts related to the lack of coverage of collective agreements is now observed by the contract owners with support of the Procurement & Premises sustainability team.

Danske Bank is committed to building and fostering an inclusive culture where everyone, irrespective of background, is accepted and treated equally.

In 2023, we transformed our diversity and inclusion efforts from a top-down to a holistic approach that involves all employees. We are driving this agenda by developing an ecosys-

tem where both leadership and the business demonstrate ownership.

We have appointed diversity and inclusion impact leads and communities to coordinate our efforts. Our Diversity and Inclusion (D&I) Council collaborates with employee networks to develop initiatives that align with our strategy and celebrate inclusive events. An example is Danske Rainbow Network, which focuses on ensuring an inclusive environment for all LGBTQ+ colleagues.

From a diversity perspective, Group focus remains on gender diversity, but we also support initiatives that promote other aspects of diversity and intersectionality, including different neurodiverse profiles and women with migrant backgrounds.

### Gender balance

We remain committed to increasing the share of the underrepresented gender in leadership positions. Our Forward '28 strategy outlines our new gender diversity goals, including achieving a 40% balance for the underrepresented gender on the Board of Directors, Executive Leadership Team and among senior leaders by 2028.

We set targets as a means to measure the outcome of our efforts; however, when adopting a holistic approach to increase diversity, the numbers cannot stand alone. They are an indicator of the progress we make in creating an inclusive workplace and help us to seize opportunities to grow diversity.

### Median gender pay gap

In 2023, the median gender pay gap decreased to 21% from 24% in 2022. The median gender pay gap reflects the distribution of men and women at different salary levels across different types of positions, managerial roles, countries etc. The gap shows that we still have more men than women in higher-paid positions.

From 2021 to 2022, the median gender pay gap saw an unsatisfactory increase from 19% to 24%. To be able to counter this negative trend, we performed different analysis in pay provision and focused on integrating diversity criteria into performance evaluations and salary review processes.

**LGBTQ+ inclusion rewarded**

Danske Bank is continually working to improve LGBTQ+ rights and conditions. In 2023, we were awarded a silver award by Stonewall for our progression in LGBTQ+ inclusion. Stonewall recognises Danske Bank for having inclusive workplace policies in place, such as our D&I Policy and our Global Transgender Instruction, which deals specifically with supporting trans colleagues and those who are transitioning in the workplace, including colleagues who are non-binary.

One of the actions undertaken in relation to LGBTQ+ inclusion in 2023 was the launch of a pronoun campaign, which made it possible for employees to add their pronouns to their profile. Under our 'Free To Be Me' tagline, we in 2023 hosted events and webinars on the theme of allyship to further support minoritised colleagues.

**Creating a holistic approach towards parental leave**

Understanding the life-changing nature of becoming a parent and the importance of work-family balance, Danske Bank implements a holistic approach to parental leave. Our objective is two-fold.

Firstly, we want to ensure that employees maintain a strong sense of belonging when they are on leave as a prerequisite for their wanting to return to the organisation afterwards.

Secondly, creating a family often has a significant negative impact on the careers of primary caregivers. Our efforts focus on promoting equity through improved information, learning and dialogue toolkits to reduce these career inequities.



## Managing potential adverse impacts on human rights in our own operations

### - Providing services

When we provide services to our customers, we must take into consideration the fact that structural and societal imbalances might affect our advisory services and our product development.

When we create new products, we seek to ensure that vulnerable groups are taken into consideration at a structural level and that sustainability parameters are part of our product development processes.

#### Addressing discrimination in our customer service

Our Treating Customers Fairly Policy addresses the importance of ensuring non-discriminatory practices in our day-to-day treatment of our customers.<sup>7</sup> We recognise that some customers are particularly vulnerable in the context of the services and products we provide and in relation to how we may interact with them. Danske Bank's internal Conduct Risk Policy and Conduct Risk Instruction set specific requirements for fair treatment and non-discrimination of vulnerable groups.

In Norway, Danske Bank Norwegian Branch has signed an industry standard promoting financial inclusion of non-digital personal customers (Bransjenorm finansiell inkludering). This industry standard specifically focuses on vulnerable groups.

We make it easy for customers to express any dissatisfaction they may have relating to customer service through our Customer Complaints system, which acts as a local operational level grievance mechanism.<sup>8</sup>

#### Danica Pension health insurance

Through Danica Pension, we offer health insurance cover, which includes prevention measures and treatments focused on both physical and mental illness. We adhere to the aforementioned Group policies and instructions in our day-to-day contact with our diverse group of customers with different needs.



<sup>7</sup> The objective of the Treating Customers Fairly Policy is to support the Group in adhering to applicable laws and regulations. Discrimination risks are captured by the objective of ensuring consumer and investor protection.

<sup>8</sup> An operational-level grievance mechanism is defined in the UN Guiding Principles on Business and Human Rights as "a formalized means through which individuals or groups can raise concerns about the impact an enterprise has on them - including, but not exclusively, on their human rights - and can seek remedy".

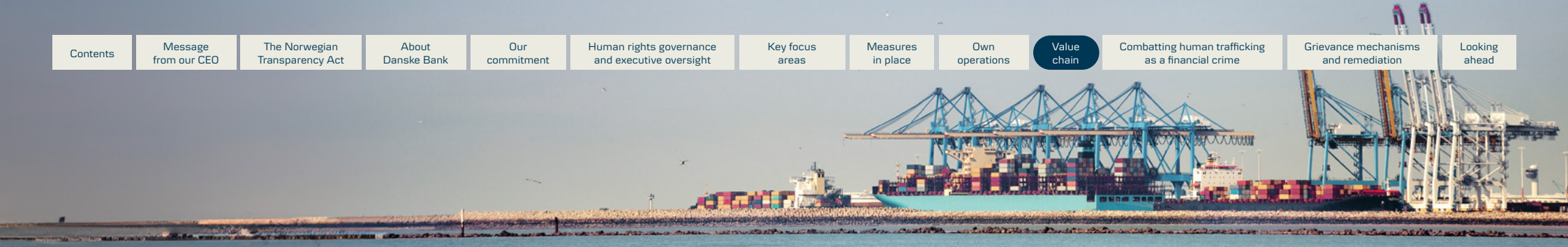
## Managing potential adverse impacts on human rights in our own operations – Data privacy

The Danske Bank Group collects personal data on employees, customers and others such as potential customers and contact persons representing our business customers who interact with us and our services. Consequently, we must manage and mitigate the risk of breaching the right to privacy when processing such personal data.

To manage data privacy risks and risks of breaching confidentiality, the Danske Bank Group has implemented a comprehensive governance framework, steered by a revised Group Personal Data Protection Policy. This is designed to govern both the lawful use of personal data within the Group and to ensure that individuals can exercise their rights (including the right to access personal data, the right to erasure of personal data and the right to ratification of personal data) in compliance with relevant data protection legislation.<sup>9</sup>



<sup>9</sup> General Data Protection Regulation (GDPR) – Official Legal Text (gdpr-info.eu). Additionally, there are local data protection acts in all the European countries we operate in.



## Managing potential adverse impacts on human rights in our value chain

### - Corporate lending

Danske Bank offers credit<sup>10</sup> to a diverse range of corporate customers<sup>11</sup> in the Nordic countries and Northern Ireland. In doing so, we acknowledge that human rights risks are not only concentrated in these markets but are global through the reach of our customers' supply chains. Our customer relationships start with setting clear standards and restrictions, and we promote ongoing development through engagement and dialogue.

#### Restrictions

Our ESG Credit Risk Assessment Instruction, under Danske Bank's Credit Policy, sets specific policy requirements to be met by the Group. These requirements detail activities that we refrain from supporting financially, such as specific activities related to land rights and arms and defence. However, a

customer's application may be approved if they agree to an appropriate action plan that brings them in line with Danske Bank's Credit Policy.

#### Assessing and managing human rights risks of corporate customers.

We integrate sustainability considerations into our credit processes through ESG risk assessments at a company level, which apply to all corporate customers with credit exposure larger than DKK 7 million. The results are part of our overall credit risk assessment of the customer. As part of the ESG risk assessment, we screen for ongoing and recent controversies and supply chain risks. By year-end 2023, we had ESG risk assessed 86.7% of the exposure we have to in-scope corporate customers.

#### Human rights module in ESG risk assessment

In October 2023, we added a dedicated human rights module to our ESG risk assessment, enabling detailed screening of human rights risks depending on sector, size and region. This includes risks associated with working conditions, impact on local communities and involvement in forced or child labour. Customers assessed prior to this module being implemented will be re-assessed during periodic reviews or within three years.

#### Sector reviews

Our sector reviews help to improve and tailor our ESG risk assessment questions to specific sectors. The reviews include internal qualitative research, media search related to specific sectors and data from recognised ESG data providers such as SASB and Sustainalytics.

<sup>10</sup> Our credit process covers all types of lending activities - including loans, credits, financial guarantees and project finance.

<sup>11</sup> Danske Bank Annual Report 2023 page 183: [danske-bank--annual-report-2023.pdf](https://www.danske-bank--annual-report-2023.pdf) [danskebank.com].

If the initial ESG risk assessment of large companies reveals a medium/high to high risk, a further in-depth assessment is performed that takes into consideration general ESG and industry-specific human rights risks. The ESG risk score resulting from the in-depth assessment is a factor in the credit review process, and a decision of a credit approval or disapproval will be made by the appropriate authority-level.

**Using our leverage to manage human rights risks of corporate customers**

When potential adverse impacts on human rights are identified, Danske Bank can engage in dialogue with the customer and agree on an action plan to ensure the customer moves away from the activities causing the adverse impacts. If the customer is responsible for significant adverse impacts or is unwilling to implement corrective actions, their relationship with us will be reconsidered.



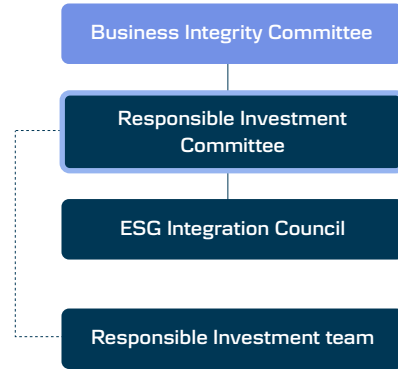
## Managing potential adverse impacts on human rights in our value chain

### - Investments

As a global investor, we are attentive to the potential societal impacts our investments may have. Our Position Statement on Human Rights outlines our stance towards the companies we finance and invest in, emphasising respect for international standards such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Our Responsible Investment Policy guides our investment activities, overseen by the Responsible Investment Committee of Danske Bank and Danica Pension, with the ESG Integration Council acting as an advisory body.

This policy is supplemented by instructions on exclusions, sustainability risk integration, inclusions and active ownership. The Policy is further reflected in our investment products tailored to various sustainability preferences.



#### Factoring in human rights in investments

We consider human rights risks in investments from a double materiality perspective, which considers both sustainability risk and societal impact. Sustainability risk refers to how sustainability factors might affect an investment's value, and our process involves analysing, identifying and mitigating these risks, which include human rights, environmental, governance and other social issues.

From a societal impact perspective, we consider the principal adverse impacts (PAI) of our investments, including those on human rights. Principal adverse impacts are negative, material and likely-to-be-material effects on sustainability factors caused, compounded by or directly linked to our investment decisions.

Subject to data limitations, we measure and report on these impacts for all investments<sup>12</sup> using mandatory and selected voluntary indicators defined under the Sustainable Finance Disclosure Regulation.<sup>13</sup> In our **Statement on principal adverse impacts of investment decisions on sustainability factor**, we report on specific indicators related to human rights and social impacts, including the share of investments in companies involved in violations of the United Nations Global Compact Principles or the OECD Guidelines for Multinational Enterprises.

#### Danske Invest Asset Management AS

Danske Invest Asset Management AS reports separately on principal adverse impacts of investments. This report and other sustainability-related reports and documents can be found in English [here](#).

#### The UN PRI's Advance stewardship initiative

Danske Bank is a member of the UN PRI's Advance stewardship initiative as a collaborating investor.

<sup>12</sup> 'All investments' comprises securities and financial contracts (including cash and cash equivalents) held by Danske Bank as part of the mandates given by our customers for the purposes of portfolio management activities.

<sup>13</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council on Sustainability-Related Disclosures in the Financial Sector



### Assessing and managing human rights risks in investment processes

Danske Bank's investment analysis includes an ongoing enhanced due diligence screening which considers adverse human rights impacts. The proprietary screening reviews incidents and supports the exclusion of companies engaged in severe controversies relating to harmful activities in violation of international norms such as the UN Global Compact principles, the ILO conventions on labour rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The screening uses data from multiple ESG vendors, NGOs, media, asset owners and internal analysts. We are mindful of data limitations due to lack of harmonised ESG reporting and varied quality of data in relation to human rights.

Screenings are conducted by Responsible Investment Analysts and result in recommendations such as 'case closed', 'watchlist' or 'exclude', based on risk levels, substantiation and harm. Each assessment and recommendation takes into consideration the severity, scale and irremediability of the incident under review. All recommendations are approved by the Responsible Investment Committee.

The centralised screening is supplemented by due diligence performed by investment teams. Pre-trade warnings on certain products may alert teams about potential breaches of PAI indicators, including thresholds on human rights indicators. Investment teams have access to relevant tools, knowledge, research, education and subject-matter expertise serviced through the Responsible Investment team.

### Exclusions

While we aim to influence companies through dialogue, we exclude companies from our portfolios when substantive evidence of human rights breaches emerges. As of 2023, we exclude 26 companies (against 14 in 2022) due to risks of forced labour.

Up-to-date lists of excluded investments can be found at all times on our website under **sustainability related disclosures**.

### The role of exclusions in identifying adverse human rights impacts

Exclusion decisions and engagement can be used to identify and mitigate reported adverse human rights impacts across Danske Bank's investment activities.

A case in point is Top Glove Corp, excluded due to forced labour allegations. However, after implementing various initiatives and demonstrating a strong commitment to sustainability, Top Glove Corp was removed from our exclusion list in September 2023.



### Using our leverage through active ownership

When human rights issues are identified, we can exercise our influence through individual and collaborative engagement and voting at company annual general meetings. We believe active ownership, through engagement and voting, can more effectively address challenging ESG issues than exclusions or divestments.

During 2023, Danske Bank Asset Management and Danica Pension voted in favour of three out of seven proposals urging companies to conduct and report on human rights impact assessments and due diligence.

In addition, throughout 2023 we engaged with companies on issues such as labour standards, human rights and supply chain management. In 2023, social issues accounted for 22% of our engagement activities<sup>14</sup> (659), with employee engagement, diversity and inclusion being the most discussed topics.

Our **Active Ownership Report** documents our engagement and voting activities.

<sup>14</sup> 45% of total issues raised in our engagement activities related to environmental issues, and 33% related to governance issues.

### Addressing union rights with Starbucks

In 2022, Starbucks faced allegations of anti-union practices, breaching its own Human Rights Statement. After engaging with Starbucks in 2023, Danske Bank supported a shareholder proposal, which won 52% of votes, requiring Starbucks to publish a third-party assessment of its commitment to association and bargaining rights. In response, Starbucks conducted an independent human rights impact assessment.

### Danske Bank Voting Guidelines support diversity on boards

Danske Bank Voting Guidelines advocate for diversity on company boards. In 2023, we discussed gender diversity on the executive board with Canon. Despite our engagement, Canon did not propose a female director for the board, leading us to vote against the board chair at the annual meeting. However, Canon later announced plans to appoint a female director in its September 2023 corporate governance report.



## Managing potential adverse impacts on human rights in our value chain – Procurement

Danske Bank is a purchaser of goods and services, primarily IT services, facility management, consultancy and marketing materials. A dedicated sustainability team within our Procurement & Premises unit manages supply chain sustainability, including suppliers' performance on human rights. This is based on two key elements: a Supplier Code of Conduct and ESG risk screening on a third-party platform.

To further mitigate the risk of adverse human rights impacts, an anonymous whistleblowing

channel<sup>15</sup> allows for reporting of potential risks, including human rights matters, in the supply chain. In 2023, there were no reported cases relating to significant human rights risks.

### Assessing and managing human rights risks of our suppliers

To assess potential human rights impacts in our supply chain, the sustainability team conducts due diligence on each active supplier. All in-scope suppliers<sup>16</sup> are invited to conduct a detailed self-assessment focusing on:

- equal rights and discrimination
- forced labour and mistreatment
- child labour
- working hours and wages
- collective bargaining and freedom of association
- impact on local communities

The assessment is carried out on a third-party platform, using market and media monitoring, sector reviews and ESG data from sources such as the World Bank's World Development Indicators to ensure up-to-date ESG risk identification and monitoring. The platform also continuously adapts to the global regulatory landscape.

Where available, certifications for implementation of specific sustainability measures are uploaded by the supplier and verified through the platform.

In 2023, the sustainability team developed an internal ESG supplier risk assessment framework that aims to identify high-inherited human rights risks among existing and potential suppliers, taking into account factors

such as country and industry risk, company size, contract size and business criticality.

Also in 2023, we improved the accuracy of our supplier database improving visibility of inherited risks of the first-tier supplier base supporting the ESG risk assessment process. Currently, 70% of our first-tier suppliers are invited to carry out an ESG self-assessment, with 74% deemed compliant. Our team engages with suppliers to improve compliance rates.

### Our Supplier Code of Conduct

Danske Bank's Supplier Code of Conduct outlines Danske Bank's expectations for suppliers, including responsible business practices, community engagement and adherence to human rights standards. Applicable to all active contract holders, the code permits Danske Bank to audit suppliers' sustainability profiles and commitments. Suppliers must follow all relevant laws and regulations, as well as our code, which aligns with international guidelines such as the UN Global Compact, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.



<sup>15</sup> More information on whistleblowing can be found on Danske Bank's whistleblowing site.

<sup>16</sup> Suppliers with a low ESG risk profile are not considered in scope for the ESG self-assessment. Suppliers are deemed out of scope on the basis of external and internal risk factors.

### Using engagement as a driver for change

When a supplier's sustainability risk is high and non-compliance with human rights is identified, we engage with the supplier to introduce improvement plans. We maintain dialogue to monitor their sustainability performance, using this approach to drive change and enhance Danske Bank's societal impact.

Our supply chain due diligence primarily targets first-tier suppliers, and we expect them to uphold similar standards with their sub-suppliers in accordance with our Supplier Code of Conduct. Additionally, suppliers are requested to disclose their supply chain control level in their ESG self-assessment answers.

### Supplier audit

Danske Bank audited five suppliers in 2023, focusing on environmental, governance and human rights risks. Though no major breaches were found, we implemented an improvement plan for minor breaches, with the expectation of significant progress being made within six months.

### New supplier of digital services

From 1 September 2023, Danske Bank formed a strategic partnership with digital services provider Infosys, following the sale of our fully owned Danske IT subsidiary to Infosys.<sup>17</sup> This was done following a thorough due diligence of Infosys's compliance with our ESG requirements for suppliers. As a critical supplier, Infosys is under strict observation to meet specific requirements, including ESG, overseen by a set of experts within Danske Bank.



<sup>17</sup> Press release about the new partnership is available here: [Danske Bank enters strategic partnership with Infosys](#)

# Combating modern slavery and human trafficking as a financial crime

Human trafficking is a universal issue, and almost every country in the world features as a point of origin, transit or destination for trafficked persons.<sup>18</sup> Human trafficking is also viewed as one of the fastest growing forms of international crime.<sup>19</sup> Considered an underlying crime to money laundering, human traffickers may utilise a bank’s services to launder the funds they receive from the trafficking of people or to launder the proceeds of the sale of services rendered through human trafficking.

Given that traffickers and their victims may use financial institutions to move funds related to human trafficking, Danske Bank has an integral role to play in the market areas it operates in when it comes to combatting these crimes together with local authorities through effective and diligent financial crime prevention. A number of sanctions regimes

observed by Danske Bank (including the UN, EU, US and UK) have employed sanctions measures to tackle the global challenge of modern slavery and human trafficking, or they have started to develop legal frameworks to allow for their eventual employment. Through Danske Bank’s observations of these regimes, and through the support of sanction measures, we support the global endeavour to tackle the inherent issue of modern slavery and human trafficking.

Danske Bank has internal processes in place to identify and report on suspicions of modern slavery and human trafficking to the relevant authorities, as required by local legislation. For example, Danske Bank collects and disseminates risk indicators of human traffickers and trafficking victims, and the bank reviews national and global reports on trends and typologies in human trafficking-related

suspicious activity to inform investigators better. In addition, Danske Bank also undertakes knowledge sharing regarding typologies and risk indicators of human trafficking with partner financial institutions and law enforcement agencies by participating in public-private partnerships, such as the Swedish Anti-Money Laundering Taskforce (SAMLIT) and the Operational Danish Intelligence Network (ODIN). These anti-money laundering-focused public-private partnerships in the Nordic region serve to improve collaboration on fighting financial crime. Representatives of Danske Bank also attend national conferences on the matter to stay up to date with the latest trends, including the conference of the Danish Centre against Human Trafficking (Center mod Menneskehandel).

<sup>18</sup> Source: Human trafficking: people for sale (unodc.org)  
<sup>19</sup> Source: Human-Trafficking-2018.pdf (fatf-gafi.org)



# Grievance mechanisms and remediation

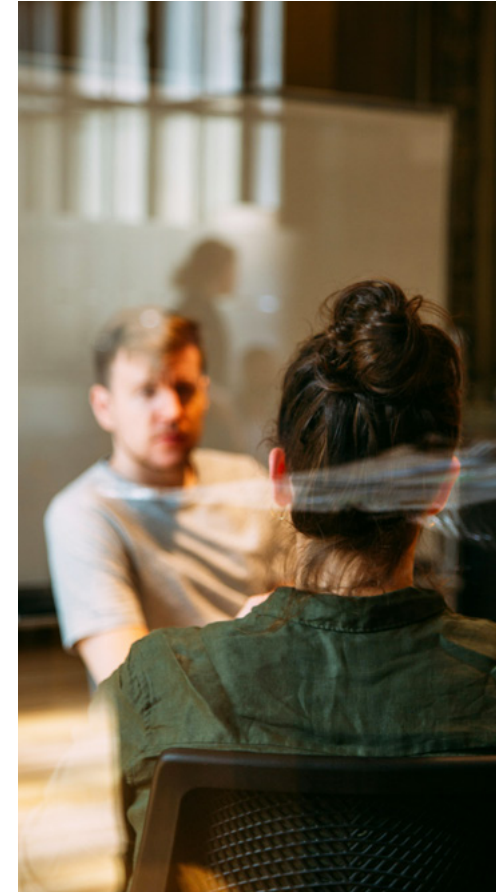
At Danske Bank, we are committed to conducting business with integrity and doing the right thing for our customers, colleagues and society. This commitment embraces the obligation to respect and defend fundamental human rights across all our operations.

Employees can raise any concerns they may have, including potential cases of discrimination, by following the instructions on the Group’s internal Do Right platform, which all employees can access via the Danske Bank intranet. We encourage any employees who may have concerns of any kind to share them, either through conventional business escalations or by raising them with line managers, trusted senior colleagues or specialist teams. If an employee wants to report any concerns that are particularly sensitive or difficult – in strict confidence or even anonymously – the Group has a dedicated Whistleblowing Operations team to help address the employee’s concerns. The whistleblowing scheme is also available to those who want to report a concern from outside the Group.

Our Whistleblowing Policy sets out the principles and standards for the support of whistleblowers and whistleblowing reports. Individuals, communities and societies that are at risk of being affected negatively by Danske Bank’s business activities can raise concerns or grievances, including those related to human rights. The Whistleblowing Operations team will ensure that any such report is properly assessed and managed. The Group will then assess each report and take the appropriate action.

As part of progressing in our efforts to ensure respect for human rights through the implementation of due diligence activities Danske Bank has a mandatory training programme in place. This programme, called Share Your Concerns, sets out how employees can report any concerns they may have related to issues such as financial crime or employee misconduct, including human rights violations. Such concerns can be reported via existing reporting channels, for example by

instigating an Unusual Activity Report or can be reported to specialist teams such as HR Legal. Mandatory Group training is accompanied by an intranet page, also called Share Your Concerns, on which employees can find information about how and with whom they can share their concerns, including concerns related to human rights. Concerns shared with specialist teams such as HR Legal or Compliance Investigations or reported via the whistleblowing scheme are subject to assessment, research, investigation and/or remediation.



### Danica Pension: Grievance and remediation

As a pension and insurance company, Danica Pension has a significant responsibility to treat customers and employees fairly and in a non-discriminatory manner. Because of this, Danica Pension has processes in place for both internal and external grievances to be reported.

Employees can raise any concerns they may have, including potential cases of discrimination, by following the instructions on the Group’s internal Do Right platform, which all Danica Pension employees can access via the Danske Bank intranet. Via this platform, employees can find instruction on how they can share their concern, and they are given the option to raise their concern through the Group whistleblowing scheme.

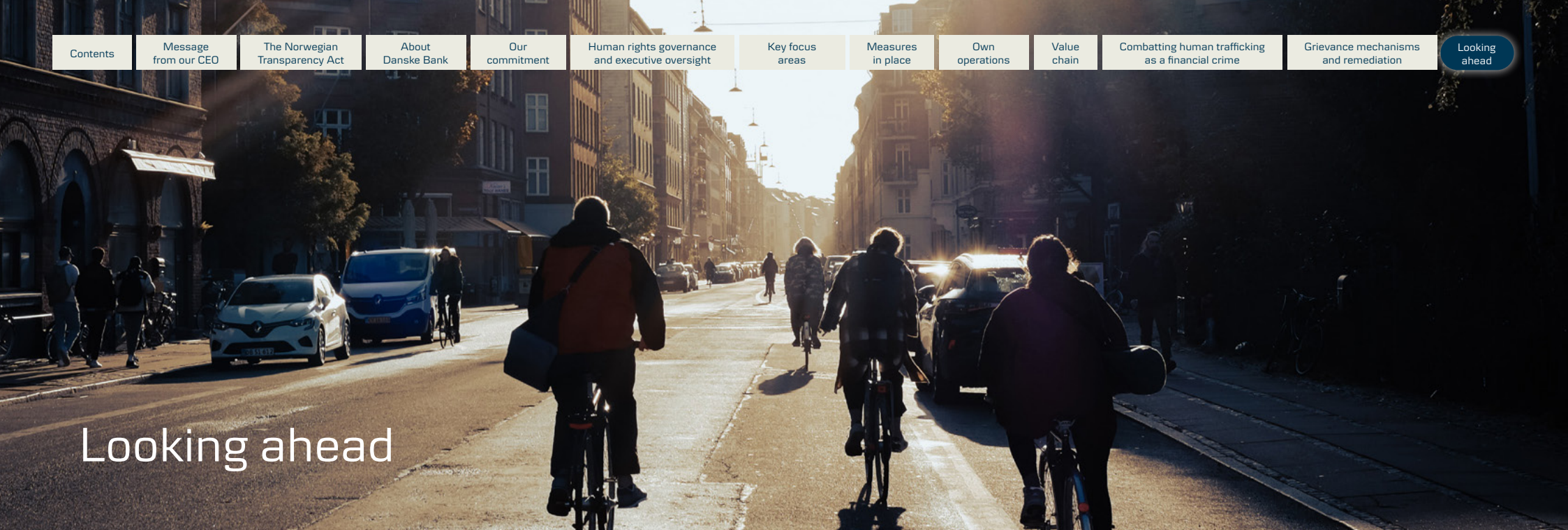
On Danica Pension’s website, **Ris, ros og klager** (danicapension.dk), customers can register any complaint they may have about any matter, such as insurance claims and customer service. To ensure that customers are treated fairly, all complaints are investigated internally with a view to potential remediation. All complaints are first received by a central point of entry, which then transfers the complaint to the relevant department for further processing. Principal or complex matters are escalated to Danica Pension’s Complaints Council (Danica Pensions Klageråd), which consists of senior management members from the relevant business areas. This ensures that customer complaint cases are thoroughly investigated from all relevant angles and

ensures a fair and proper treatment. In addition, according to the council’s instructions, the members of the council should always be objective.

Customers can also raise a case with the Danish Insurance Complaints Board **Ankenævnet for Forsikring**, which consists of representatives from both the Danish Consumer Council and the Danish Trade Association for insurance companies and pension funds.

### Danske Invest Asset Management AS: Customer complaints management

In addition to the Group grievance mechanisms, Danske Invest Asset Management AS (DIAM) has its own customer complaints management setup. A customer can file a complaint via email or by post, and DIAM must confirm the receipt of the complaint within two days. If the customer does not agree with the written reply to the complaint, the customer can raise a case with the **Norwegian Financial Services Complaints Board**, which deals with disputes that arise between finance companies and their customers in service areas such as insurance, banking, financing, securities funds and debt collection.



# Looking ahead

Our efforts to cease, prevent and mitigate potential adverse impacts on human rights in our own operations and through our business relationships are continuously under development. On a regular basis, the effectiveness of our environmental, social and governance risks and impact identification is evaluated. To sustain the continued development of our efforts, further steps and actions are in

progress to reinforce and develop our human rights due diligence processes across our own operations and our value chain.

In 2024, our diversity and inclusion efforts will be concentrated around embedding our holistic approach and creating collective awareness and ownership of the agenda across the entire organisation.

To fulfil our ambition to be a leading Nordic bank in supporting the sustainability transition of our customers and the societies we are a part of, we are building on Danske Bank's Forward '28 strategy with a new Group Sustainability Strategy, which sets the direction for our overall objectives. To contribute further towards our goal, the strategy has human rights as one of its key themes, and

building human rights capacity and capabilities will continue to be in focus during 2024 because it is key to achieving the ambitions set out in our strategy. To promote our efforts, we will in 2024 develop specific human rights training for selected employee groups.