Climate Progress Report 2025

Accounting Principles and Methodological Considerations

Danske Bank Group
5 February 2026

Danske Bank

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Accounting Principles and Methodological Considerations in the Climate Progress Report 2025 is a standalone publication designed to support the Climate Progress Report 2025[1] (hereafter 'the report') by providing detailed explanations of the accounting principles and methodological considerations, assumptions, data sources and recalculation policies behind the Danske Bank Group's climate-related disclosures presented in the report.

This supplementary publication is intended as a technical reference for stakeholders who want to understand the basis for the figures and targets disclosed in the report.

[1] *Climate Progress Report 2025*

Lending

The calculation of financed emissions from the Danske Bank Group's lending portfolio relies on a combination of internally developed models and external emission data sources. The model we use to calculate financed emissions for our lending portfolio has been validated by our internal model risk management process. Generally, we follow the industry-wide standard on the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (CVC Scope 3) of the Greenhouse Gas Protocol, the Partnership for Carbon Accounting Financials (PCAF) Financed Emissions Standard Part A[2], and additional guidance developed by Finance Denmark[3] for the classification and accounting of emission data. Some deviations have been implemented when considered appropriate, as detailed later in the section, Deviations from the PCAF standard. In line with general efforts to increase data quality and data coverage and to reflect evolving industry practices, the carbon emission models are subject to continual improvements and updates. In accordance with our recalculation policy, as detailed below, model changes have been applied to previous years' estimates and restated in the report. This is a natural consequence of model improvements and causes some of the historical emission figures to change in relation to previous reporting.

Choosing a physical intensity metric (emissions per economic output, e.g. $kgCO_2$/MWh) instead of having an absolute emission metric for most of our sector targets allows us to take into account the different pace of decarbonisation of each sector. The exceptions are the two oil and gas targets and the agriculture emission intensity target, which are based on financed emissions calculations that include both on- and off-balance exposures. Any changes in relation to previously stated figures are commented on in the respective sections of the report.

Our calculation of financed emissions uses the most recently available information associated with the reporting year at the time of calculation. Financed emissions for our lending portfolio are based on on-balance sheet exposure data from end of September 2025. For instance, for reporting of financed emissions for 2025, the portfolio and exposures information used in the calculation is from 2025, customers' financial data or asset values are based on 2025 or earlier, and emissions data is from 2024 or earlier. This can result in situations where the exposure, financial data (used in the denominator of the attribution factor) and the year of emissions are misaligned. However, the calculation represents our most updated estimate given the current setup and available data.

Methodology for restatements

The restatement policy described in this section applies to all areas covered in this report, including lending, investments and own operations. The baseline and historical numbers can be recalculated to ensure relevance of the reported greenhouse gas emissions and to track progress on emission targets. The following changes trigger a baseline recalculation:

- Structural changes in our organisation, such as mergers, acquisitions, divestments, outsourcing and insourcing
- Changes in calculation methodologies, improvements in data accuracy or discovery of significant errors
- Changes in the categories or activities included in the scope 3 inventory

A minimum threshold of 5% is applied for determining significance related to total financed emissions, and a minimum threshold of 10% related to target-specific emissions or emission intensities, triggering a recalculation of historical values. Significant changes result not only from single large changes but also from several small changes that are cumulatively significant. Our revision principle applies to increases and decreases in emissions, and we may choose to revise our historical values in relation to changes that are below the threshold to ensure consistency, comparability and relevance in our reported emissions data and climate target progress over time.

[2] The Global GHG Accounting and Reporting Standard for the Financial Industry
[3] Finance Denmark CO_2 model

Customers' scope 3 emissions
Although all financed emission estimates are inherently associated with significant uncertainties, customers' scope 3 emissions warrant a particular cautionary disclaimer. Even companies' own reported scope 3 emissions have been observed to fluctuate widely year on year. This can be due to actual changes in a company's value chain but is much more likely to stem from the company's own maturing estimation approaches, as well as the inclusion of additional value chain categories. These fluctuations and the general higher uncertainty associated with scope 3 emissions are expected to continue for the foreseeable future. This uncertainty is not reflected well by the PCAF data quality score because reported scope 3 emissions still receive a data quality score of 1 or 2 almost irrespective of which approach the companies have applied.

Portfolio scope
Financed emissions for our lending portfolio have been calculated for the parent company (Danske Bank A/S) and for subsidiary undertakings of the Danske Bank Group that are credit institutions that undertake banking activities, namely Realkredit Danmark, Danske Hypotek AB, Danske Mortgage Bank and Northern Bank Limited. The Group have two associate undertakings over which it has operational control, but they have not been included in the calculation of the Group's financed emissions because they fall under one of the customer segments or facility types that has not yet been covered by our lending financed emissions setup. Vipps MobilePay and Bankomat fall under the 'financial institutions' segment which is an industry segment not included in the calculation of financed emissions.

We calculate the Group's financed emissions based on the downstream value chain for our lending portfolio.

Most of the Group's corporate lending portfolio falls under the PCAF's 'Business loans and unlisted equity' asset class category, which covers our on-balance sheet loans and lines of credit for general purposes, and we currently also classify project finance loans as business loans. However, for loans secured by Poseidon Principles-eligible shipping vessels, we apply the shipping finance approach from Finance Denmark's Framework for Financed Emissions Accounting[4] for calculating the scope 1 financed emission estimates. Scope 2 and 3 emissions are covered by the business-loan approach applied to the associated shipping company.

Commercial real estate and personal mortgages cover on-balance loans and lines of credit secured by real estate collateral. Other general-purpose loans to commercial real estate or consumer loans to personal customers are currently not covered. Note that loans granted by Realkredit Danmark are recognised at fair value instead of at amortised cost. Based on 2025 figures, the financed emission calculations covered approximately 94% (2024: 90%) and 94% (2024: 94%) of total on-balance credit exposure to commercial real estate and personal customers, respectively.

We have not carried out calculations of financed emissions for our lending activities to customers in the following industry segments:

- Financial institutions
  - Considered as having low scope 1 and 2 emissions
- Public institutions
  - Lack of emission data sources and estimation approaches
- Non-profit housing
  - Considered as having low scope 1 and 2 emissions
- Customers outside Danske Bank's main business units (i.e. outside Large Corporates & Institutions, Business Customers, Personal Customers and Northern Ireland)
- Other commercial enterprises
  - Industry activity is not clearly defined, and the size of the portfolio is insignificant

Product types that are not covered:

1. Leasing
   - Leasing falls under category 13 of the Greenhouse Gas Protocol[5], which covers downstream leased assets. Leasing is therefore not covered by the financed emissions related to category 15 of the Greenhouse Gas Protocol, which covers investments.
2. Exposure not secured by properties in our commercial real estate and personal customers segments
   - Focus has been on covering the property-related exposures within our commercial real estate and personal customers segments because this is where emissions can be directly linked to the underlying properties for which Danske Bank has developed financed emission models.
3. Other types of more specialised credit facilities with on-balance exposure related to e.g. holdings and trading facilities
   - Considered of lower priority due to the insignificant size of the portfolio.
4. Consumer loans in our personal customer portfolio
5. Offers

[4] Finance Denmark CO_2 model
[5] Greenhouse Gas Protocol Homepage | GHG Protocol

Deviations from the PCAF standard
Although the setup is designed to follow the industry-wide PCAF standard, some deviations have been implemented to match Danske Bank's internal data structure and data availability or to lower the expected volatility and complexity of calculating financed emissions over time. The various deviations have been included in order to reduce technical complexity, increase stability over time and ensure use of appropriate emission factors given that the Group mainly operates in the Nordic countries. It is not possible to estimate the impact of the implemented deviations; however, we have no reason to believe that they systematically favour higher or lower financed emissions in general. The most notable deviations from the PCAF standard and from the PCAF secretariat's recommendations relate to the following scenarios:

- Attribution factors for properties and large vessels (ships) are based on the market value of the asset at reporting date instead of the asset's value at origination.
- Attribution factors for listed companies are based mainly on total equity plus debt (or total assets) from their balance sheet instead of on enterprise value including cash (EVIC).
- In most cases, the sub-sector and national-level Exiobase[6] emission factors have been applied instead of the PCAF secretariat's recommendation of using emission factors on a less granular sector and regional level.
- If financial statement data is not available for a corporate customer, and the financed emission calculation is not covered by one of the models related to properties or large vessels, the financed emission estimate is based on extrapolations from the Group's emission-covered portfolio instead of on Exiobase asset emission factors. These extrapolations are assigned a PCAF data quality score of 5.
- Customers' scope 3 emissions have been included only when company-reported figures were available. This leaves a large share of the lending portfolio without a scope 3 financed emissions calculation. The Group is therefore likely to be under-reporting its actual scope 3 emissions due to lack of data.
- In some cases, when exposures are related to purely renewable energy production, the scope 1 and 2 emissions have been manually set to 0.
- For personal customers (mortgages) and commercial real estate, scope 1 and 2 emissions from heating are accounted for.

PCAF data quality score
PCAF defines a system of assessing the data quality of reported scope 1, 2 and 3 emissions data by borrowers and investee companies for each asset class, which ranks data quality from 1 to 5. A data quality score of 1 represents the highest data quality score and signifies verified emissions data reported by the borrower company. A data quality score of 5 represents the lowest quality of emissions data and is assigned to estimated emissions data per asset class or revenue by sector.

Data quality is considered on the basis of whether it is scope 1, 2 or 3 of emissions that the borrower company is reporting and on the data quality score of the reported data. Scopes 1 and 2 are likely to have higher data quality scores than scope 3 because scope 1 and 2 data is directly linked to the activities of the reporting entity, and the entity therefore can assess and obtain the data directly. Scope 3 relates to the full value chain of the reporting entity, both upstream and downstream, and will inherently include a higher risk on data quality. In some cases, a customer's total scope 3 emission is a mixture of reported and estimated values, for instance when the CDP enriches companies' reported scope 3 emissions with its own estimates to fill in gaps for relevant value chain categories. In such cases, we do not include the scope 3 emission in our reported figures.

A high-level overview of the mapping between data quality score and emission source is provided in table 1, and we refer to the PCAF guidelines[7] for further details. In general, companies' own disclosures are considered of highest quality.

Table 1: PCAF data quality score overview

	Data quality score	Source
Best	1 or 2	Companies' own reported emissions
↑	2 or 3	Emission estimated from physical activity data, e.g. energy consumption or production output, combined with emission factors, e.g. tCO_2e/MWh or tCO_2e/t
	4 or 5	Emission estimated from revenue or asset factors specific to region and sector, e.g. tCO_2e/mEUR revenue or tCO_2e/mEUR of assets
Worst	5	Emission estimated from a simple exposure or sector extrapolation

Emission data sources and general methodologies
Table 2 on the following page provides a high-level overview of the various emission-related data sources and the general calculational approach applied in the financed emissions calculation for the lending portfolio.

[6] *More information can be found at Exiobase*
[7] *The Global GHG Accounting and Reporting Standard for the Financial Industry*

Table 2: High-level overview of financed emission sources and methodologies

Segment	Emission data sources	Methodology
Large vessels (shipping)	Emission obtained through the Poseidon Principles, i.e. emission based on shipowners' reported fuel consumption	Follows the shipping finance approach from Finance Denmark's Framework for Financed Emissions Accounting. However, the denominator in the attribution-factor calculation is based on market value at reporting date instead of at origination. This approach covers the scope 1 emission associated with the vessels. In contrast to the emission used in the shipping targets alignment delta, the scope 3 emission associated with the fuel is not included here. Scope 2 and 3 financed emissions are instead covered by PCAF's business loan approach applied to the customer owning the vessels.
Agriculture	ConTerra's farm-level emission estimates on Danish farms	The farm-level estimates from ConTerra are based on size of farmland, crop type, animals, fertiliser use, manure management, etc. The same methodology and emission factors as applied in the Danish National Inventory Report. Emissions related to agriculture customers with no match in the ConTerra data are estimated using extrapolations from the ConTerra-covered part. These extrapolations are also applied to farms outside Denmark. Note that forestry is currently not included in emission data from ConTerra and is therefore not part of the financed-emission calculation for agriculture customers either. The ConTerra data covers scope 1 emissions only. Scope 2 financed emissions are primary covered by Exiobase emission factors. Attribution factors follow PCAF's business loan approach.
Commercial real estate	Denmark: e-nettet, Danish Energy Agency Sweden: Värderingsdata, Naturvårdsverket, Swedish Energy Agency Norway, Finland and Northern Ireland: CRREM 2020 average building emission (from the PCAF European building emission factor database)	Covers scope 1 and 2 emissions related to heating. Denmark and Sweden: Energy consumption is estimated from EPC ratings, or distribution of EPC ratings from properties with similar characteristics, combined with energy and emission factors related to primary heating source. Follows the guidance provided in Finance Denmark's Framework for Financed Emissions Accounting, with adjustments based on Finance Sweden's guidance and data availability for Sweden, while currently not aligning with Finance Sweden on aspects such as emission factors. Norway, Finland and Northern Ireland: The non-residential sub-sectors are based on CRREM 2020 average building emission figures (same value used for all years) whereas the residential sub-sectors are based on CRREM 2020 average building emission figures or intensity figures derived from the personal mortgage calculations. Attribution factors are based on property value at reporting date.

Table 2: High-level overview of financed emission sources and methodologies – continued

Segment	Emission data sources	Methodology
Personal mortgages	Denmark: e-nettet, Danish Energy Agency Sweden: Värderingsdata, Naturvårdsverket, Swedish Energy Agency Finland: CRREM 2020 average building emission (from the PCAF European building emission factor database) Northern Ireland: EPC reports	Covers scope 1 and 2 emissions related to heating. Denmark and Sweden: Energy consumption is estimated from EPC ratings, or distribution of EPC ratings from properties with similar characteristics, combined with energy and emission factors related to primary heating source. Our methodology follows the guidance provided in Finance Denmark's Framework for Financed Emissions Accounting, with adjustments based on Finance Sweden's guidance and data availability for Sweden, while currently not aligning with Finance Sweden on aspects such as emission factors. Due to the recent divestiture of the Norwegian personal customers portfolio, the financed emissions of personal mortgages in Norway are no longer part of the emissions calculation. Finland: Emissions are based on CRREM 2020 average building emission figures (same value used for all years). Northern Ireland: Emissions obtained from the EPC reports, combined with simple extrapolations to fill gaps. Attribution factors are based on property value at reporting date.
All other corporate sectors	Companies own disclosed emissions CDP and ISS – collected reported emissions and CDP's/ISS's own company emission estimates Exiobase revenue- and asset-emission factors (taken from the PCAF emission-factor database) A few cases of own emission assessments for scope 1 and 2 emission related to purely renewable power generation	Follows the business loan approach from the PCAF standard with the adjustments mentioned under the section Deviations from the PCAF standard on page 5.

Industry definitions: The financed emission industry segmentation is based on the classification principles of the Statistical Classification of Economic Activities in the European Community (NACE) standard, with a few adaptions made to accommodate the Group's business risk approach. Only the most relevant industries in terms of either exposure or scope 1 and 2 emission intensity have been explicitly shown. The remaining industries are grouped into 'Other corporates'. The details of what is covered by each industry can be seen in the industry definition overview below.

Table 3: Industry definitions overview

Industry	Main sub-sectors	NACE Rev. 2.1
Agriculture	Growing of Crops Mixed Farming Production of Pigs for Slaughtering Raising of Cattle Raising of Piglets Seed & Feeding Agricultural Activities N.E.C.	L2: 01 10.91, 46.11, 46.21-46.23, 46.61, 74.99 (when related to agricultural activities), 77.31
Commercial real estate	Commercial Real Estate Residential Real Estate Covers properties used in collateral-based lending by commercial real estate customers in Denmark, Sweden, Norway, Finland and Northern Ireland	68.1, 68.12, 68.2 (excluding activities related to private housing cooperatives and non-profit associations)
Construction and building materials	Building Materials Building Materials Distributors Building Products Contractors Craftsmen	16.22, 16.23, 16.25, 22.21, 22.23, 23.24, 23.11, 23.12, 23.14, 23.2, 23.31, 23.32, 23.42, 23.43, 23.51, 23.52, 23.61-23.66, 23.7, 23.91, 23.99, 25.12, 25.21, 25.62, 42.11-42.13, 42.21, 42.22, 42.91, 42.99, 43.11-43.13, 43.21-43.24, 43.31-43.35, 43.41, 43.42, 43.5, 43.6, 43.91, 43.99, 46.13, 46.83, 46.84, 47.52, 77.32
Metals and mining	Metals and mining – Extraction Metals and mining – Production and trade	5.1, 5.2, 7.1, 7.21, 7.29, 8.11, 8.12, 8.91, 8.92, 8.93, 8.99, 9.9, 19.1, 24.1, 24.2, 24.31-24.34, 24.41-24.46, 24.51-24.54, 25.11, 25.22, 25.4, 25.51-25.53, 25.63, 25.91, 25.93, 25.94, 25.99, 33.11, 46.12, 46.82, 46.87
Oil, gas and offshore	Oil and gas – exploration and production Oil and gas – oil services Offshore – rigs/FPSO Offshore – supply	6.1, 6.2, 9.1, 19.2, 35.21, 46.81, 50.2 (when related to rigs, FPSO or offshore supply)
Shipping	Shipping	50.1, 50.2 (except rigs, FPSO or offshore supply), 50.3, 50.4, 52.29 (when related to shipping activities), 77.34
Utilities and infrastructure	Regulated Utilities Transport Infrastructure Unregulated Utilities Unregulated Utilities - Green Technologies	16.26, 20.51, 35.11-35.16, 35.22-35.24, 35.3, 35.4, 36, 49.5, 52.1, 52.21 (when related to infrastructure), 52.22, 52.23, 52.24, 68.12, 82.92

Table 3: Industry definitions overview – continued

Industry	Main sub-sectors	NACE Rev. 2.1
Pulp and paper, Chemicals	Chemicals Packaging and tissue Paper Pulp Forestry Sawmills	2.1-2.4, 16.11, 16.12, 16.21, 17.11, 17.12, 17.21-17.23, 17.25, 20.11-20.17, 20.2, 20.3, 20.59, 20.6, 22.12, 46.85, 46.86
Other corporates	Automotive Capital goods Consumer goods Hotels, restaurants and leisure Pharma and medical devices Retailing Services Social services Telecom and media Transportation	All other NACE codes not covered by one of the above industries
Personal mortgages	Covers properties used in collateral-based lending by personal customers in Denmark, Sweden, Finland and Northern Ireland	NA

Target setting – methodological considerations
Our sectoral target-setting methodology and scope are aligned with the list of priority sectors included in the guidelines developed by the Science Based Targets initiative (SBTi), the former Net-Zero Banking Alliance and UNEP FI.[8]

Financial scope – Our financed emissions presented above are calculated in accordance with the PCAF standard and therefore only apply on-balance exposures in their calculation. For our sector targets, however, we include both on- and off-balance exposures. The inclusion of both on- and off-balance exposure better reflects the commitments made towards our customers and allows us to account for the risk of customers included in the targets making use of products such as revolving loans or lines of credit.

Furthermore, the financed emissions calculation measures absolute emissions, whereas most of our climate targets are intensity-based (see table 4 for an overview of target calculation methodology and benchmarks). The differences mean that, for example, our financed emissions can increase while our intensity-based metrics decrease. In those cases where climate targets are based on the financed emissions calculation, both on- and off-balance exposures have been included in the calculation.

Target metric – Choosing a physical intensity metric (emissions per economic output, e.g. $kgCO_2/MWh$) instead of having an absolute emission metric for most of our sector targets allows us to take into account the different pace of decarbonisation of each sector. The exceptions are the two oil and gas targets and the agriculture emission intensity target, which are based on financed emissions calculations that include both on- and off-balance exposures. Any changes in relation to previously stated figures are commented on in the respective sections of the report.

[8] Our climate targets for our lending portfolio cover more than 99% of the measured scope 1 and 2 emissions within sectors identified as carbon-intensive in the guidance from the former Net-Zero Banking Alliance.

Table 4: High-level overview of target-calculation methodologies and benchmarks

Sector	Portfolio in scope	Data and methodology	Target-setting methodology and benchmark
Shipping	Large vessels collateral eligible under the Poseidon Principles	The shipping target focuses solely on vessels under the scope of the Poseidon Principles. Poseidon Principles' alignment delta refers to the distance of a vessel's emission intensity (annual efficiency ratio (AER), expressed as emissions per deadweight tonne per mautical mile) from the decarbonisation trajectory. The distance is expressed as a percentage. Latest available alignment delta is based on 2024 data.	SDA/Poseidon Principles/IMO 'striving for' curve
Oil and gas – exploration and production	Customers under NACE 6.1 in Large Corporates & Institutions	The oil and gas exploration and production target for financed emissions covers on- and off-balance credit exposure of exploration and production customers and is primarily based on reported scope 1, 2 and 3 emissions of these customers. However, estimated customers' scope 3 emissions have been included in this calculation to ensures full coverage of the portfolio in scope. The 2024 and 2025 financed emissions calculation is based on Q3 financial data of the given year and primarily the preceding year's emission data (2023 and 2024 respectively).	Sector decarbonisation projection
Oil and gas – downstream refining	Customers under NACE 19.2 in Large Corporates & Institutions	The downstream refining target for scope 1 and 2 financed emissions covers on- and off-balance credit exposure of downstream refining customers and is mainly based on reported scope 1 and 2 emissions of these customers. The intensity-based downstream refining target for scope 3 emissions covers on- and off-balance credit exposure of downstream refining customers and is based on reported scope 3 emission intensities of these customers. The portfolio intensity is an exposure-weighted average. The 2024 and 2025 scope 3 portfolio intensity average is based on Q3 financial data of the given year and the preceding year's emission data (2023 and 2024 respectively).	Sector decarbonisation projection
Power generation	Customers under NACE 35.11 in Large Corporates & Institutions	The power generation target covers on- and off-balance credit exposure of power generation customers and is based on both reported and estimated scope 1 intensities of these customers. The portfolio intensity is an exposure-weighted average. The 2024 and 2025 portfolio intensity average is based on Q3 financial data of the given year and the preceding year's emission data (2023 and 2024 respectively).	SDA/SBTi (world) 1.5°C scenario

Table 4: High-level overview of target-calculation methodologies and benchmarks – continued

Sector	Portfolio in scope	Data and methodology	Target-setting methodology and benchmark
Steel	Customers under NACE 24.1 in Large Corporates & Institutions	The steel target covers on- and off-balance credit exposure of steel production customers and is based on reported scope 1 and 2 emission intensities of these customers. The portfolio intensity is an exposure-weighted average. The 2024 and 2025 portfolio intensity average is based on Q3 financial data of the given year and the preceding year's emission data (2023 and 2024 respectively).	SDA/TPI (world) 1.5°C scenario
Cement	Customers under NACE 23.51 and 23.65 in Large Corporates & Institutions	The cement target covers on- and off-balance credit exposure of cement production customers and is based on reported scope 1 and 2 emission intensities of these customers. The portfolio intensity is an exposure-weighted average. The 2024 and 2025 portfolio intensity average is based on Q3 financial data of the given year and the preceding year's emission data (2023 and 2024 respectively).	SDA/SBTi (world) 1.5°C scenario
Commercial real estate	Properties used in collateral-based lending by customers under NACE 41.1, 68.1, and 68.2 (excluding activities related to non-profit housing) within Denmark, Sweden, Norway, Northern Ireland and Finland for SMEs and large corporates as well as for institutional customers.	Denmark: Emissions are calculated using the same methodology as used for financed emissions (without applying attribution factors) and using property area to calculate the intensities. The total Danish portfolio intensity is calculated as an area-weighted average intensity. Sweden: Emissions are calculated using same methodology as for financed emissions (without applying attribution factors) and using property area to calculate intensities. The total Swedish portfolio intensity is calculated as an area-weighted average intensity. Norway, Northern Ireland, Finland: CRREM 2020 emission intensities. The commercial real estate intensity is calculated as an exposure-weighted average over the corresponding intensities for Denmark, Sweden, Norway, Northern Ireland and Finland. The exposure covers both on- and off-balance exposure to property-secured loans and lines of credit.	SDA/Danish national sector target/CRREM 1.5°C

Table 4: High-level overview of target-calculation methodologies and benchmarks – continued

Sector	Portfolio in scope	Data and methodology	Target-setting methodology and benchmark
Personal mortgages	Properties used in collateral-based lending by personal customers in Denmark, Sweden, Finland and Northern Ireland.	Denmark: Emissions are calculated using same methodology as for financed emissions (without applying attribution factors) and using property area to calculate intensities. The total Danish portfolio intensity is calculated as an area-weighted average intensity. Sweden: Emissions are calculated using same methodology as for financed emissions (without applying attribution factors) and using property area to calculate intensities. The total Swedish portfolio intensity is calculated as an area-weighted average intensity. Northern Ireland: Emissions originates from energy reports. Finland: CRREM 2020 emission intensities. The personal mortgage portfolio intensity is calculated as an exposure-weighted average over the corresponding intensities for Denmark, Sweden, Northern Ireland and Finland. The exposure covers both on- and off-balance exposure to property-secured loans and lines of credit.	SDA/CRREM 1.5°C scenario
Agriculture	Customers under NACE L2: 01 (except 1.64) and 46.22, 46.23, 46.61, 74.99 (when related to agricultural activities), and 77.31 within Denmark, Sweden, Norway, Northern Ireland and Finland mainly relating to SME customers.	The emission used in the agricultural intensity target is based on the scope 1 financed emission calculation, however, including both on- and off-balance exposure from loans and lines of credit in the calculation of the attribution factors. This is divided by the total on- and off-balance exposure to obtain a portfolio intensity in terms of tCO_2e/mDKK. The target development is primarily driven by Danish customers. These customers make up a large share of the portfolio, and due to data limitations, these customers are also used when extrapolating to the rest of the Group's agriculture portfolio in the Nordic countries. Latest intensity figures are based on the 2025 portfolio while using 2024 emission data.	Danish national sector target/SBTi FLAG tool

Scope of our approach to financing the climate transition
Danske Bank's Approach to Financing the Climate Transition covers all corporate customers in the Large Corporates and Institutions (LC&I) segment classified as Transition or Enabling customers. Transition customers are defined as those with a transition risk assessment score 'start of transition', 'transitioning' or 'transitioned'.

Financing volumes include credit exposure in scope from lending activities and Danske Bank's share of primary bond capital market arrangements in scope, captured at customer level and independent of labelling. We note that some financing volumes in scope may also qualify as green under the Danske Bank Green Finance Framework, potentially creating an overlap between volumes counted for these purposes. Our accumulated progress towards achieving the ambition is calculated as the credit exposure delta to date against the baseline plus Danske Bank's share of primary market bond arrangements during 2025-2028 with customers in scope. For further details, please refer to Danske Bank's Approach to Financing the Climate Transition document.[9]

[9] *Danske Bank's Approach to Financing the Climate Transition*

Investments

Data source and data quality
For the report, we use various data sources to estimate the financed emissions, weighted average carbon intensity (WACI) and the temperature rating of the Group's investments within Danske Bank Asset Management and Danica.

For financed emissions and WACI, we use data from our ESG data provider, ISS ESG, and we use ISS's climate analytics tool to generate calculations. To estimate our portfolio temperature rating, we use data developed collaboratively by CDP and WWF, which is further supported by emissions data from ISS ESG. The data, methodologies and tools follow industry-wide standards aligned with recognised reporting standards and organisations such as PCAF, Net Zero Asset Managers initiative (NZAM) and SBTi and are aligned with guidance developed by Finance Denmark.

The data sources used are assessed by the Responsible Investment team in Danske Bank Asset Management. The assessments include but are not limited to assessments on data coverage, data quality, methodology, costs and other operational considerations. No universally accepted framework (legal, regulatory or others) currently exists in relation to sustainability-related data, information and assessments. As a financial institution investing globally in different asset classes, Danske Bank strives to leverage primary reported data and information.

Where such data is not available, best efforts are made to obtain data, including data estimates, information and assessments through third-party providers or directly from investee companies, and/or by carrying out additional research.

ESG data, information and assessments are not comparable to that of financial information. This implies a risk of misrepresentation of data on sustainability dimensions or impacts associated with an investment. Despite rigorous due diligence in the onboarding of data and other resource- and cost-proportional considerations in place to ensure the accuracy, completeness and reliability of the data, it is not possible to verify or guarantee, directly or indirectly, the complete correctness of the underlying data. Therefore, a certain margin of error is generally to be expected in relation to ESG data. At this point in time, it is difficult to assess the general magnitude of the margin of error associated with the emissions reported in the report, but it is expected to be substantial, especially for scope 3. For the purpose of reporting financed emissions in the report, Danske Bank has therefore decided to report scope 3 emissions solely on the basis of company-reported figures with a PCAF data quality score of 1 or 2. This may mitigate a potential estimation risk associated with scope 3 reporting, but it will imply that the actual scope 3 emissions are higher than those outlined in the report.

The emissions data and methodology used are subject to change due to ongoing improvements, in line with general efforts to increase data quality and availability and to accommodate evolving industry practices. We refer to ISS ESG and other data providers for any updates on data and methodology.

Please refer to the Methodology for restatements section on page 3 for details of our restatement principles.

Asset Management

Asset Management covers and represents the assets under management of Danske Bank A/S, Danske Invest Management A/S, Danske Private Equity A/S and Danske Invest Fund Management Ltd.

The scope of assets covered in relation to Asset Management in this report represent those covered by Danske Bank's Sustainability Statement. However, this may differ from the scope of other reports published by Danske Bank that also report GHG emissions, such as the scope of the Principal Adverse Impacts (PAI) Statement published each year on 30 June, which covers individual legal entities in scope for reporting under the Sustainable Finance Disclosure Regulation (SFDR).

Financed emissions
Reported financed emissions represent 75% (2024: 71%) of the assets because certain asset classes are out of scope. Assets under management invested in sovereign states are not part of the reported emissions. Furthermore, we do not report emission exposures from cash derivatives even though these investments may indirectly link to investee companies. Investments for which we do not have data coverage, including investments in private equity and private credit, do not form part of our reported figures.

Target emissions
Our net-zero targets and temperature targets cover investment funds and portfolio management agreements (managed accounts). Certain investment products, including discretionary mandates, are not included in the targets and/or reporting on progress. The reason for omitting discretionary mandates at this stage is that mandates must be based on specific customer demands and contractual agreements for each mandate. In line with our commitment, we will over time engage with asset owners on this topic.

For the products in scope, the targets cover investments in the following:

- equities
- corporate bonds
- mortgage bonds

Due to a lack of reliable data, the following asset classes are not included:

- sovereign debt
- unlisted companies
- derivatives
- cash
- other alternatives

Since the publication of our Climate Action Plan in 2023, a number of improvements have been made to the original calculations of our climate targets. In 2024, we experienced a significant increase in the coverage of temperature rating data due to a modelling approach change that maps individual securities to decarbonisation targets of true parent companies. The increased coverage results in fewer companies receiving a high default temperature rating of 3.2°C, set for precautionary reasons.

In 2025, there were no updates to the methodology of the model.

For further details on the methodologies applied and data quality scores for targets, see below.

Calculation of weighted average carbon intensity
To fulfil the Net Zero Asset Managers initiative commitments, Danske Bank Asset Management has leveraged the latest scientific climate research, represented by the IPCC net-zero energy system pathway[10], which is modelled by the International Energy Agency and used in the most relevant industry-recognised target-setting methodologies available. The ISS ESG climate emission data is from fiscal year 2024.

WACI is a measure of the carbon emission normalised by the revenue of the company, and on aggregated levels WACI discloses our exposure towards carbon-intensive companies. The calculation is performed by including the scope 1 and scope 2 emissions and dividing the result by the revenue generated by the investee companies.

When we calculate the WACI and apply the ISS ESG climate analytics tool, 82% of the assets invested by the investment products in scope are covered, (2024: 75%) where our data providers have coverage of actual or estimated data. Where GHG intensity data was not available for an investee company through reported figures and/or information received from our data providers, we have effectively assumed that investee companies without data have the GHG intensity of the investee companies that do have data.

In line with the PCAF standard, we have estimated an emission data quality score. The weighted emission data quality score for scope 1 and 2 is 1.3 (2024: 1.3), which indicates that most of the issuers included in the estimations are on average based on companies' own reported emissions and considered to be best data quality.

Weighted average carbon intensity target setting – key methodology considerations
In its Special Report on Global Warming of 1.5˚C (2018)[11], the IPCC provides four plausible scenarios, each consistent with net-zero emissions. Each scenario has distinct pathways and follows different assumptions about technological, economic and societal progress.

The Sustainable Development Scenario is the most aligned with the principles of systemic transition to a sustainable future. It is characterised by having a broad focus on sustainability, including energy intensity, human development, economic convergence and international cooperation, and it is enabled by a shift towards sustainable and healthy consumption patterns, low-carbon technology innovation and well-managed land systems with limited societal acceptability for carbon capture. Danske Bank Asset Management supports a broadly focused sustainability transition, and our WACI target is therefore anchored with this scenario.

The Sustainable Development Scenario implies an approximate 50% reduction in CO_2e emissions by 2030. We have therefore set a 2030 target of reducing scope 1 and 2 of our WACI in in-scope investment products by 50% by 2030.

Calculation of temperature rating
The temperature rating metric enables comparison of the global temperature rise associated with corporate ambition. Being a forward-looking metric, temperature rating targets supplement the engagement and intensity targets set for Asset Management. The aggregate temperature score of the assets under management (AuM) for our temperature rating targets is calculated by weighting the temperature score of each holding in the portfolio by its respective share of total value of the portfolio. Holdings with a valid decarbonisation target receive a respective temperature score while those without valid targets receive a default score of 3.2'C. For scope 1 and scope 2, the share of portfolio companies with valid targets in 2025 was 48% (2024: 49%), and as such 52% (2024: 51%) receive a default score. When it comes to portfolio companies with valid targets including scope 3 in the number was 41% in 2025 (2024: 42%). Since the baseline year, data quality has increased significantly when it comes to emission data. Although we expect this to continue over the coming years, current political headwinds might delay the development.

Temperature rating target setting – key methodology considerations
The CDP-WWF temperature rating methodology[12] includes three steps:

1. a target protocol, which converts individual emissions targets into temperatures
2. a company protocol, which aggregates these targets into a company score
3. a portfolio protocol, which weights these company scores across an investment portfolio

[10] *Chapter 6 in IPCC Special Report - Energy Systems.*
[11] *Special Report on Global Warning of 1.5°C from IPCC.*
[12] *The CDP-WWF temperature rating method estimates alignment with global climate goals based on emissions data.*

To convert individual emissions targets into temperatures, the target protocol uses the best available scientific climate scenarios from the IPCC Special Report on 1.5°C (2018) scenario database. It generates simple regression models for estimated warming in 2100 from climate scenarios with short-, medium- and long-term trends in absolute emissions or emissions intensities. Because companies have multiple targets, the data is aggregated into company-level scores. Minimum quality criteria define a quality of target that can be included. At the portfolio level, these company scores are weighted to assess an index or portfolio of companies, such as in the context of financial portfolios. Issuers that do not have publicly disclosed emissions targets are assigned a default temperature score of 3.2 by the tool, which assumes a business-as-usual temperature trajectory. Issuers receive a default score because only limited and validated data sources are allowed, and some companies have not yet set intermediate emission reduction targets. Despite the current challenges and setbacks caused by the global political landscape, we firmly believe that the underlying trend will continue, and we still do expect data quality to improve over time as more companies set intermediate targets and publish these through well-recognised and validated data sources. This methodology enables company-by-company and portfolio comparisons to be made. The criteria for setting targets to align the temperature rating of our investments that are in scope of the goals of the Paris Agreement include:

- Aligning portfolio scope 1 and 2 temperature score with a minimum well-below 2°C scenario and additionally aligning portfolios to a minimum 2°C scenario for scope 1, 2 and 3 by 2040. Alignment with more ambitious scenarios is encouraged. At Danske Bank, we have chosen a 1.5°C trajectory.

- Committing to reducing portfolio temperature scores such that the financial institution is on a linear path to the stated goal by 2040

Engagement target

We believe that a strong stewardship and engagement strategy is a credible and effective way of both achieving real-world impact and gaining a better understanding of the risk management of investee companies. In order to achieve effective real-economy emissions reductions and gain further insights, we in 2021 set a target of engaging, either individually or collectively, with the 100 largest emitters in our portfolio by 2025 in alignment with commitments under the Net Zero Asset Managers initiative. Engaging on climate-related topics is also important for enabling our investment teams to better understand the climate risks associated with our investments, and such engagement will remain key in the years ahead. To evaluate the progress of our engagement targets, we utilise widely recognised indicators for measuring approaches to the energy transition. These indicators include net-zero ambitions and targets, governance, strategy, capital asset alignment, commitment to the just transition, emissions performance, climate policy engagement, climate risk accounting and disclosures.

Table 5: Overview of target-setting methodology

Target	Data sources	Methodology summary	Scenario
WACI	ISS	The financed carbon emissions of our AuM in Asset Management are calculated by measuring scope 1 and 2 emissions from the companies in the investment portfolios weighted by our share of investment. The ISS ESG climate emission data is from the fiscal year 2024.	Our WACI target is anchored in the IPCC Sustainable Development Scenario, which implies an approximate 50% reduction in CO_2 emissions by 2030. We have therefore set a 2030 target of reducing scope 1 and 2 WACI in our in-scope investment products by 50% by 2030.
Temperature rating target	CDP, WWF, ISS	The temperature rating of our AuM in Asset Management is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment.	The methodology uses the best available scientific climate scenarios from the IPCC Special Report on 1.5°C (2018) scenario database. At Danske Bank, we have chosen a 1.5°C trajectory.
Engagement targets	IEA, Paris Aligned Investment Initiative, Climate Action 100+	Engage with the 100 largest emitters by communicating our expectations to investee companies.	Our target is anchored with the key cornerstones of the Net Zero Asset Managers initiative to prioritise the achievement of real-economy emission reductions.

The criteria are, for example, well aligned with those of Climate Action 100+, which can be seen as the gold standard for evaluating and engaging with companies on climate, and the criteria also enable Danske Bank Asset Management to identify company-specific gaps in its climate strategies as a basis for effective net-zero engagement, thereby encouraging companies to climb the alignment maturity scale. To supplement the evaluation of companies' alignment with the Paris Agreement in an engagement context, Danske Bank Asset Management has defined minimum sector-specific expectations against certain criteria based on the IEA's Net Zero Emissions by 2050 roadmap. Carried out by investment teams and the active ownership team, these engagements build upon our evaluation of the companies' climate transition strategies, and through our engagements we seek to gain information on investee companies' performance and engage in further dialogue regarding their activities.

Life insurance and pension

The reported emissions for Danica in this report include the following of Danica's investment products:

- Danica Balance
- Danica Traditionel
- Danica Link
- Tidspension

The calculations do not include the investment product Danica Select because Danica does not invest on behalf of Danica Select customers who have chosen to manage their own assets.

The following asset classes are included in the calculations:

- equities
- corporate bonds
- mortgage bonds
- real estate

Due to a lack of reliable data, the following asset classes are not included:

- sovereign debt
- unlisted companies
- other alternatives
- derivatives and cash

Approximately 85% of Danica's total assets under management are included in the calculations, which cover the specified investment products and asset classes while excluding those with insufficient data or that are managed directly by Danica Select customers.

Calculation of temperature rating targets
Danica has chosen to use the temperature rating methodology developed collaboratively by CDP and WWF to calculate the investments' temperature rating score.[13] The methodology translates companies' GHG emission reduction targets into a single metric called the temperature rating. This metric enables comparison of the global temperature rise associated with corporate climate targets and actions. The overall temperature rating of Danica's investment portfolio is determined by calculating Danica's ownership share of the underlying companies' temperature ratings. The reported score is therefore naturally subject to uncertainty related to the modelling of the companies' carbon data and climate plans against future temperature increases. The reported figures are sensitive to changes in data coverage because the methodology implies that companies without data are assigned the relatively high default score of 3.2. This may blur the picture as to whether an improved temperature rating is due to actual improvements of the underlying companies' score or due to the companies' being covered by data.

Calculation of sector reduction targets
Danica has set sector reduction targets for its investment portfolio that follow the Net-Zero Asset Owner Alliance (NZAOA) Target-Setting Protocol (TSP), which encourages members to set sector targets to help link portfolio-level emission reductions to energy-efficiency requirements and real-world outcomes. The Transition Path Initiative (TPI) is considered by many to be one of the most advanced approaches in this respect. The TPI uses data on companies' emissions and emission reduction pathways to estimate whether these are in alignment with global temperature reduction agreements such as the Paris Agreement. The TPI also provides estimates of companies' future carbon intensity reductions based on their current levels and decarbonisation pathways. Danica leverages this company emission intensity data to guide the calculation of baselines for its sectoral targets. Intensity targets have been set and concluded in 2025 for the following selected sectors:

- Energy: (gCO_2e/MJ)
- Utilities: (tCO_2e/MWh)
- Steel: (tCO_2e/t steel)
- Cement: (tCO_2 /t cement)
- Transportation:
  - Aviation (gCO_2e/RTK)
  - Shipping (gCO_2e/tKM)
  - Automotive: (gCO_2e/km)

The TPI calculates individual sectors' emission intensities using sector-specific intensity targets, which means that figures cannot be aggregated across sectors. To calculate the emission intensity of each sector, Danica first applies ISS ESG's absolute emission figures to identify 80% of the highest-emitting companies within a sector. Danica's share of the underlying companies' carbon intensity is then calculated on the basis of TPI data. The reported figures are therefore indirectly affected by the data quality of ISS ESG's absolute emission figures. Also, actual calculated reductions within each sector are subject to a degree of uncertainty due to the forward-looking nature of TPI data.

Data coverage for 2025

Calculation of emissions of investments (coverage)
Using ISS ESG's climate analytics tool, 98% of positions in the included asset classes are covered by emission data in scope 1 and 2, and 77% are

[13] *The CDP-WWF temperature rating method estimates alignment with global climate goals based on emissions data.*

covered by emission data in scope 3, corresponding to approximately DKK 339 billion and DKK 261 billion respectively at the end of 2025.

Calculation of temperature rating targets (coverage)
The overall temperature rating score covers 49% (2024: 46%) of positions in the asset classes included, corresponding to approximately DKK 167 billion at 31 December 2025. Due to a lack of data, the remaining 51% (2024: 54%) of portfolio companies have been assigned a default score of 3.2. When it comes to portfolio companies with valid targets including scope 3 in the number was 42% in 2025 (2024: 43%), and as such 58% (2024: 57%) receive a default score. Since the baseline year, data quality has increased significantly when it comes to emission data. Although we expect this to continue over the coming years, current political headwinds might delay the development.

Calculation of sector reduction targets (coverage)
The average TPI data coverage across selected sectors corresponds to 75% of emissions of the 80% highest-emitting companies in each sector.

Real estate portfolio

Calculation of carbon emissions
Danica Ejendomme uses the international and recognised Greenhouse House Gas Protocol standard to calculate the carbon emission intensity of the Danish real estate portfolio. The report also uses the Real ESG Framework to ensure that the reporting is in accordance with leading sustainability practice in the real estate sector.

In previous years, developed area was measured on the basis of heated floorspace. For the current reporting period, area is calculated according to the reported BBR area, which is generally larger than the heated floorspace area. Consequently, the carbon intensity is comparatively lower than in previous years. To improve the transparency of comparison between periods, Danica has decided to adjust historical figures in accordance with the same methodology (BBR area) as was used in the 2024 reporting period. However, an increasing amount of energy consumption data is measured using digital meters, and in 2025 almost all energy consumption data was provided by digital meters. Nevertheless, it is likely that there will always be a small portion of consumption that is not captured by the new digital meters. This transition from EPC calculations to digital meters increases the carbon intensity.

Calculation of certified properties
Certified properties are properties in operation that are certified and that have a temporary certificate of occupancy or a final certificate of occupancy. Development properties for which the project has been pre-certified and the construction has been finally approved are also included. The certifications for Danica Ejendomme primarily include DGNB and LEED, but we expect that BREEAM certifications may also be obtained in the future.

Table 6: Overview of target-setting methodology

Target	Data sources	Methodology summary	Scenario
CO_2 sector reduction target	Transition Pathway Initiative and ISS	Danica estimates the emission intensity for specific sectors, such as energy, utilities, steel, cement, automotive and transportation, weighted by our share of investments.	Danica has set targets that follow the NZAOA and the Target-Setting Protocol (TSP). TSP encourages members to set sector targets to help link portfolio-level emission reductions to the energy-efficiency requirements and real-world outcomes. TSP allows the use of any credible, science-based sectoral model for setting targets. Danica leverages TPI scenarios and company data to guide the setting and calculation of baselines for its sectoral targets.
Temperature rating	CDP, WWF, ISS	The temperature rating for Danica is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment.	The methodology uses the best available scientific climate scenarios from the IPCC Special Report on 1.5°C (2018) scenario database. For Danica, we have chosen a 1.5°C trajectory.

Own operations

Environmental data is based on the most reliable consumption data available from the Group's operations in Denmark, Finland, Ireland, Northern Ireland, Norway, Sweden and Lithuania, supplemented by estimated consumption from the Group's remaining operations for which Danske Bank has operational control and where registered data is not available. The reporting period for the year 2025 runs from Q4 2024 to Q3 2025. Due to Danske Bank's sale of Danske IT, a former fully owned subsidiary encompassing our Indian operations, the data includes India until the effective date of 1 September 2023. We report our CO_2e emissions based on the Greenhouse Gas Protocol, and numbers are rounded to the closest integer.

We excluded scope 3.7 emissions related to employee commuting, reported as employees working from home, due to insufficient data availability, low data quality and limited control. This adjustment resulted in an approximate 2% decrease in the baseline year figures for our total scope 1, 2, and currently measured scope 3 emissions.

For details on our recalculation methodology, please see the Methodology for baseline restatements section on page 3.

CO_2e emissions scope 1: Scope 1 encompasses CO_2e emissions from heating using oil and gas and from the usage of Danske Bank controlled company cars. The emissions from heating are calculated on the basis of heating consumption, using specific emission factors from the Department for Energy Security & Net Zero (DESNZ). In accordance with the Greenhouse Gas Protocol Guidance, the emissions from gas consumption in Denmark were omitted in scope 1 owing to the purchase of biogas certificates of origin. Biogenic emissions from use of biogas are reported outside scopes. For transport by company cars, the emissions are calculated on the basis of the mileage and litres (when available) from our leasing company Nordania and emission factors from DESNZ.

CO_2e emissions scope 2: Scope 2 encompasses CO_2e emissions from district heating, district cooling and electricity supplied by external suppliers. The emissions from district heating are calculated on the basis of heating consumption, using either specific emission factors from energy companies or average emission factors for heating for the country from IEA and DESNZ. Similarly, emissions from district cooling are calculated on the basis of district cooling consumption and the specific emission factor used for district heating or district cooling when possible. Scope 2 emissions are reported in accordance with the market-based and location-based methodology from the Greenhouse Gas Protocol Guidance. For the location-based approach, the emission factors from electricity consumption are calculated using average emission factors for the country from the IEA. For the market-based methodology, the emissions from electricity consumption were reported as zero due to the purchase of renewable electricity certifications under guarantees of origin (GoO) and the renewable energy guarantees of origin (REGO).

CO_2e emissions scope 3: Scope 3 encompasses CO_2e emissions from Scope 3.1. Purchased goods and services (limited to paper consumption), Scope 3.6. Business travel (road and air). Emissions from our financed emissions under 3.15. are not included in these figures as these are reported separately.

Scope 3.1: The emissions from paper are calculated on the basis of paper consumption provided by the suppliers or from the Group's internal ordering system and the emission factors from DESNZ.

Scope 3.6: For business travel by road, the emissions are calculated on the basis of the mileage and fuel-specific emission factors from DESNZ when fuel type is available. Mileage is provided either from registered distances from our leasing company Nordania, expense management, HR systems or allowance paid. For mileage without known fuel type, we apply an emission factor for unknown fuel from DESNZ. For business travel by air, the emissions are calculated on the basis of mileage data multiplied by the emission factor from DESNZ.

Estimated CO_2e from operations without registered data: For operations that do not have any measured consumption, we estimate CO_2e emissions on the basis of the average number of FTEs as provided by Group Finance and the average emissions per employee in the Group.

Total CO_2e emissions: The sum of CO_2e emissions scope 1, CO_2e emissions scope 2 (market-based) and CO_2e emissions scope 3.

Outside scopes: Biogenic emissions from the use of biogas are calculated on the basis of gas consumption in Denmark, for which we purchase biogas certificates of origin, and on emissions factors from DESNZ.