

Green Bond Framework

Danske Bank Group
June 2021

REALKRÉDIT
Danmark

Danske Bank

Content

03	BACKGROUND
04	DANSKE BANK GROUP GREEN BONDS
05	USE OF PROCEEDS
05	GREEN LOAN CATEGORIES
05	Clean transportation
06	Renewable Energy
07	Transmission and Energy Storage
07	Green and energy efficient buildings
08	Environmentally sustainable management of living natural resources and land use
08	Sustainable water and wastewater management
09	Pollution prevention and control
09	Climate change adaptation
10	GREEN LOAN EVALUATION AND SELECTION PROCESS
10	MANAGEMENT OF PROCEEDS
11	REPORTING
12	EXTERNAL REVIEW
12	POLICIES AND POSITION STATEMENTS



Background

As one of the largest Nordic financial institutions with around 3 million customers, we at Danske Bank Group (“Danske Bank”) recognise our responsibility and sizeable impact to the societies we are part of. We want to take on that responsibility and play our part in driving sustainable development and having a positive impact.

Climate change is one of the greatest threats facing our planet and it poses major environmental, economic and societal risks worldwide. According to UN’s Intergovernmental Panel on Climate Change (IPCC), human activities have already caused approximately 1.0° C of global warming above pre-industrial levels, with warming likely to reach 1.5° C between 2030 and 2052. Climate change will amplify existing risks and create new risks for both natural and human systems. The International Monetary Fund estimates that further increases in the temperature may pose the largest threat to the world economy in the 21st century.

At Danske Bank, we believe it is imperative that global warming is kept well below 2° C and to pursue efforts to limit the temperature increase even further to 1.5° C. We have endorsed this position in our commitment to the Paris Pledge for Action. Limiting global warming to 1.5° C requires deep emission reductions globally: -45 % from 2010 levels by 2030 and net zero global emissions by 2050. Thus, transitions of unprecedented scale are required in a wide range of sectors, such as energy, transportation, housing and land-use. This presents both risks to traditional business models and opportunities for innovation and investment.

We understand that opportunities and risks related to climate change will have an effect on both our customers and our own business. Thus, we have signed up to implement the recommendations

of the Task Force on Climate-related Financial Disclosures (TCFD). We are committed to integrating climate considerations into our governance, strategy, risk management, metrics as well as reporting.

We have selected “Climate & environment” as one of the three strategic themes of our Societal Impact Strategy because we want to help society to transition to a low carbon, resource-efficient and environmentally sustainable economy. As a leading bank within Nordic capital markets, we are in the position to help channel funding to sustainable businesses by providing investors with green investment opportunities. We have been an active adviser to green bond issuers and investors for many years, and Danske Bank has been a signatory of the Green Bond Principles since 2014. Also, we were the first Nordic partner of the Climate Bonds Initiative.

Our own investment and lending decisions are also important means through which we can drive positive development in the societies we are part of. In our investment process, we integrate environmental, social and governance (ESG) considerations as a factor alongside financial factors. When considering lending to our clients, we assess possible ESG risks and seek to have an active dialogue with our clients on these topics. Our Position Statements outline explicit expectations for specific industries.

We foster a sustainable workplace and work systematically to run our operations in a sustainable manner. We have been climate neutral in our own operations since 2009, and in 2015, we signed up to RE100 to underline our commitment to sourcing 100 % renewable energy. In addition, we work with responsible sourcing in collaboration with our suppliers to raise corporate responsibility standards in our supply chain.

The fight against climate change and for sustainable development will require global, coordinated and united action. Hence, we have implemented a number of global initiatives related to corporate sustainability and transition to a low-carbon economy, such as:

- 2030 Agenda and the UN Sustainable Development Goals
- UN Global Compact
- OECD Guidelines for Multinational Enterprise
- UN-backed Principles for Responsible Investments (UNPRI)
- UN Environment Program Finance Initiative (UNEPFI)
- Universal Declaration of Human Rights
- ILO Declaration of Fundamental Principles of Rights at Work
- Institutional Investor Group on Climate Change
- CDP (formerly the Carbon Disclosure Project)
- Paris Pledge for Action in support of COP 21
- Task Force on Climate-related Financial Disclosures (TCFD)



Danske Bank Group Green Bond

Transition to a low carbon, resilient and environmentally sustainable economy requires vast amounts of capital. By setting up this document (“Green Bond Framework” or “Framework”), Danske Bank aims to support the mobilisation of debt capital to sustainable and environmentally beneficial purposes.

This Green Bond Framework is based on the Green Bond Principles published in June 2018 by the International Capital Market Association. This Framework defines the loans or investments eligible to be funded by the proceeds of green bonds issued by Danske Bank A/S and its subsidiaries Realkredit Danmark A/S, Danske Hypotek AB (publ) and Danske Mortgage Bank Plc (“Green Bonds”). In addition, the Framework outlines the process used to identify, select and report on eligible loans and how the management of Green

Bond proceeds is organised. Under this Framework, Danske Bank A/S, Realkredit Danmark A/S, Danske Hypotek AB (publ) and Danske Mortgage Bank Plc may issue Green Bonds in various formats such as Senior Unsecured Debt, Non-Preferred Senior Debt and Covered Bonds. The documentation for any Green Bond issued by an entity within the Danske Bank Group shall provide a reference to this Framework under the use of proceeds section. We refer to the terms and conditions contained in the underlying documentation for each issued green bond which specify the actual terms of the instruments.

As both the Green Bond Principles and the green financing market overall are evolving rapidly, this Green Bond Framework may be further updated or expanded.

Issuing entities under the Danske Bank Group Green Bond Framework

Danske Bank

Danske Bank A/S

Danske Bank A/S is one of the largest financial enterprises in the Nordic region, with strong local roots and bridges to the rest of the world. For more than 145 years, we have helped people and businesses in the Nordics realise their ambitions. Danske Bank Group is present in 16 countries and has its headquarters in Copenhagen. Danske Bank A/S's shares are quoted on the Nasdaq Copenhagen.

REALKREDIT Danmark

Realkredit Danmark A/S

Realkredit Danmark A/S is a subsidiary of Danske Bank A/S and provides property financing to personal and business customers in Denmark and to specific business customers in Sweden and Norway. The company operates a pass-through funding model whereby all mortgages are funded by covered bonds with mirroring terms. Reference is made to the terms and conditions, see rd.dk. Mortgages are provided through the Danske Bank branch network and the home real-estate agency chain.

Danske Bank

Danske Hypotek AB (publ)

Danske Hypotek AB (publ) is a wholly owned Swedish subsidiary of Danske Bank A/S. Danske Hypotek acquires Swedish mortgages from Danske Bank A/S, which are secured by Swedish real property, site leasehold rights and tenant-owner rights and funds these assets with the continuous issuance of covered bonds, primarily in the Swedish benchmark-market. The acquired mortgages are included in the company's Cover Pool.

Danske Bank

Danske Mortgage Bank Plc

Danske Mortgage Bank Plc is a Finnish mortgage credit bank which is part of the Danske Bank Group. Danske Mortgage Bank Plc is operating as an issuer of covered bonds according to the Finnish Act on Mortgage Credit Bank Operations. Issuance of covered bonds is a part of Danske Bank Group's long-term funding and part of housing financing in Danske Bank's operations in Finland. Danske Mortgage Bank Plc does not grant housing loans, but the loans used to cover the bonds are purchased from Danske Bank A/S, Finland Branch.

Use of Proceeds

Allocation of net proceeds

An amount equal to the net proceeds of the Green Bonds will be used to finance or re-finance, in whole or in part, loans or investments located predominantly in the Nordic region and originated by Danske Bank that promote the transition to low-carbon, climate resilient and sustainable economies (“Green Loans”), in each case as determined by Danske Bank in accordance with the Green Loan categories as defined below.

Green Loans form portfolios of assets, per issuing entity, eligible for financing and refinancing by Green Bonds.

Financing and refinancing

Net proceeds can finance both existing and new Green Loans. New Green Loans are defined as loans that have been disbursed either after or up to 12 months before a Green Bond issuance. It is likely that initially, net proceeds will be used largely to refinance existing Green Loans. However, Danske Bank will make efforts to increase its lending to new Green Loans.

Exclusions

Green Bond net proceeds will not be allocated to loans where the main purpose of the loan is fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

clear energy generation, research and/or development within weapons and defence, environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

Pure play loans

While Danske Bank aims to document an exact project or asset financed, also general corporate purposes loans to “pure play” green companies can be funded with net proceeds from Green Bond issuances. A pure play company is defined as a company deriving over 90 % of its revenue from the Green Loan categories as defined below.

Sustainable Development Goals

In 2015, the UN published the Sustainable Development Goals (SDGs) to serve as a blueprint to achieve a better and more sustainable future for all. Danske Bank’s Societal Impact Strategy focuses on three particular SDGs: No. 4 “Quality education”, No. 8 “Decent Work and Economic Growth” and No. 13 “Climate Action”. In this Framework, we have presented a relevant SDG goal and target for each Green Loan category in accordance with International Capital Market Association’s high-level mapping¹.

Green Loan categories



Clean transportation

The financing or refinancing of production, establishment, acquisition, expansion, upgrades, maintenance and operation of low carbon vehicles and related infrastructure (excluding rolling stocks and related infrastructure dedicated to the transport of fossil fuels).

Low carbon public transportation

Fully electrified or other low carbon (biogas⁴ and hydrogen) public transportation such as busses, trains, trams or ferries.

Low carbon vehicles

Fully electrified, plug-in hybrid electric⁵ or hydrogen passenger and freight vehicles such as cars, trucks or vessels.

Low carbon transportation infrastructure

Infrastructure related to electric transportation of passengers and freight such as electrified railways and charging stations for electric vehicles.

Transport accounted for 28% of global final energy demand and 23% of global energy-related CO₂ emissions in 2014. Over 90 % of final energy demand in the sector consists of oil products, which represents a great challenge for decarbonisation. Electrification is a powerful decarbonisation measure for the sector but an effective transformation requires massive investments in both the vehicles and associated infrastructure². The Nordics currently represent the third-largest electric car market in the world, and the number of electric vehicles in the region is estimated to reach 4 million by 2030³.

	Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
--	------------------------------------	--

¹ <https://www.icmagroup.org/green-social-and-sustainability-bonds/mapping-to-the-sustainable-development-goals/>

² IPCC Special Report on the impacts of global warming of 1.5°C, 2018

³ OECD/IEA Nordic EV Outlook 2018.

⁴ Sustainability in the biogas production supply chain is evaluated, preferably proven by certifications, as described under the category Renewable Energy.

⁵ With emissions below 50 grams CO₂e per km according to the New European Driving Cycle (“NEDC”), or any other governing model as relevant. In all hydro power plants, Danske Bank should have comfort that that GHG emissions don’t exceed 100g CO₂e/kWh or any other lower threshold endorsed by the Climate Bonds Initiative



Renewable Energy

The financing or refinancing for the production, appliances, establishment, acquisition, operation, distribution and products of renewable energy.

Wind energy

Onshore and offshore wind energy generation facilities and other emerging technologies, such as wind tunnels and cubes.

Solar energy

Photovoltaics (PV), concentrated solar power (CSP) and solar thermal facilities.

Wave or tidal energy

Tidal range and stream, wave, ocean current, water-thermal energy production system (WEPS) and ocean thermal energy conversion (OTEC) power facilities.

Hydro power

Small scale hydro power plants (maximum generating capacity of 10 megawatts [MW]) or investments in the refurbishment or refinancing of existing medium or large hydro power plants (above 10MW of generation) without any increase in the size of its impoundment facility, in each case restricted to the Nordic region and deemed to comply with IFC Performance Standards⁶. Local environmental impacts and possible controversies are considered in the evaluation of all hydro power projects and it's required that national regulations regarding local ecological impacts are followed.

Bio energy

Facilities producing biofuel and/or biomass such as biofuel preparation, pre-treatment and bio-refinery facilities.

Facilities for electricity generation, heating or both (CHP) that use biofuel or biomass as fuel if life-cycle GHG emission intensity is below 100gCO₂e/kWh.

According to the IPCC, the energy supply sector is the largest contributor to global anthropogenic GHG emissions with a share of approximately 35%. Realising the transformation towards a 1.5°C world requires major shift in investment patterns and in 1.5°C compliant pathways renewable energy generates on average 60% of primary energy supply in 2050, compared to 15% in 2020⁶. While Nordic electricity production is already two thirds renewable, the countries are actively promoting full decarbonisation of their power systems with ambitious policies and technological solutions.



7 AFFORDABLE AND CLEAN ENERGY

Affordable and clean energy

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

In the evaluation of all bioenergy projects, environmental and social impacts of supply chain elements are taken into account. Biomass/fuel that is derived from sources of high biodiversity, that competes with food sources or that depletes carbon pools is excluded. Sustainability of the supply chain is preferably proven by a certification like Sustainable Biomass Partnership (SBP), Roundtable on Sustainable Biomass (RSB), Forest Stewardship Council (FSC), or Programme for the Endorsement of Forest Certification (PEFC).

Geothermal energy

Geothermal power plants and geothermal heating/cooling systems (limited to direct emissions of $\leq 100\text{g CO}_2\text{e/kWh}$).

⁶ IPCC Special Report on the impacts of global warming of 1.5°C, 2018

⁷ In all hydro power plants, Danske Bank should have comfort that that GHG emissions don't exceed 100g CO₂e/kWh or any other lower threshold endorsed by the Climate Bonds Initiative.





Transmission and Energy Storage

The financing or refinancing of the establishment, acquisition, expansion and upgrade of transmission lines and energy storage facilities or technologies and/or the associated infrastructure.

- Transmission of electricity produced out of renewable sources from its production site to the electricity grid.
- System grids for the transmission of electricity where, over a rolling five-year period, two thirds of new connected generation capacity in the system grid is below 100g CO₂e per kWh or the average system grid emissions factor is below 100g CO₂e per kWh.
- Smart grids, storage facilities, metering systems and other intelligent electricity systems managing the intermittency of renewable energy production.
- The interconnection of countries' power systems to increase facilitation of renewable electricity production and use.
- Power system efficiency with the aim to increase system security, tools to measure and to reduce energy losses.

Feasibility of renewable energy options and the electrification of end-use sectors depends largely on grid adaptations that require a significant upscale of investments for electricity transmission, distribution and storage technologies⁸. The inter-Nordic power system is a prime example of cross-country connections integrating more renewables into energy markets.



Affordable and clean energy

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.



Green and energy efficient buildings

The financing or refinancing of buildings which meet the following criteria.

Public or commercial buildings

- Required to have, or are designed and intended to receive, (i) a design stage certification, (ii) a post-construction certification or (iii) an in-use certification in any of the following building certification schemes at the defined threshold level or better:
 - LEED "Gold",
 - BREEAM "Very Good",
 - Miljöbyggnad "Silver",
 - DGNB "Gold",
 - The Nordic Swan Ecolabel certification, or
 - any other equivalent recognised regional certification with similar standards and approved by the Green Bond Committee.
- Otherwise determined to belong in the top 15 % most energy efficient buildings in their respective region, for instance, through a specialist study⁹.

Residential buildings

- Certified as described under public or commercial buildings or,
- an active, or designed and intended to receive Energy Performance Certificate (EPC) with energy class A or B from Denmark, Finland, Norway or Sweden, or
- Otherwise determined to belong in the top 15 % most energy efficient buildings in their respective region, for instance, through a specialist study⁹.

In 2014, the buildings sector accounted for 31% of total global final-energy use and 54 % of final-electricity demand.¹⁰ Thus, this sector can lead to significant emission reductions through, for instance, tempering of energy demand. As the buildings sector is characterized by very long-living infrastructure, immediate steps are important to avoid lock-in of inefficient carbon and energy-intensive buildings. Challenging climate conditions and high heat demand in the Nordic Countries call for implementation of ambitious energy efficiency measures.



Affordable and clean energy

7.3 By 2030, double the global rate of improvement in energy efficiency.

Major renovations

Energy efficient retrofit or renovation of existing buildings, reducing energy use [kWh/m²/year] per heated square meter per year by at least 30 %.

Energy efficiency

Direct costs (e.g. material, installation and labour) related solely to a reduction in a property's energy use or to make renewable energy sources possible. For instance, installation of heat pumps, energy-efficient lighting and improved thermal insulation. Investments should improve energy-efficiency in the respective area by at least 20 %.

⁸ IPCC Special Report on the impacts of global warming of 1.5°C, 2018

⁹ For any Green Loans that are marked under this criterion, Danske Bank commits to referencing a separate methodology to verify the top 15 % eligibility and to acquire a second opinion on the validity of this methodology. The top 15 % methodology could be based on, for instance, building year, building code or EPCs, and thus include buildings with EPCs other than A or B.

¹⁰ IPCC report on Climate Change 2014



Environmentally sustainable management of living natural resources and land use

The financing or refinancing of environmentally responsible, economically viable and socially beneficial forest management, agriculture and fishery.

Forests and forestry

- Forest land certified in accordance with the Forest Stewardship Council (FSC) standards and/or the Programme for the Endorsement of Forest Certified (PEFC).
- Non-professional Nordic customers, such as individuals or small corporations¹¹.
 - i. Need to be compliant with the national forestry act or law, and
 - ii. have an up to date forest management plan, including nature conservation action plans for at least 5 % of productive area (nature protection and habitat management), and
 - iii. a minimum target of 5 % deciduous tree noted in the forest management plan.

To be eligible, i, ii and iii should together fulfil the same criteria and condition as a PEFC certification.

All forest land holdings must be insured, ensuring monetary value and adoption measures such as forest fire proliferation prevention, storms and extreme precipitation.

Agriculture

Organic farming, certified in compliance with the EU and national regulation.

Agriculture, forestry and other land use are responsible for almost a quarter of anthropogenic GHG emissions globally. Mitigation potential of this sector is driven not only by reduction of emission but also enhancement of removals of GHGs. Also, this sector of course provides food and multitude of other vital ecosystem services.¹⁰ Sustainable management of vast Nordic forest resources holds especially significant mitigation potential.



Life below water

14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution



Life on land

15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

Fishery

Sustainable fishery certified by the Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC). If ASC certification is achieved with variations, the environmental effects of the variations will be separately considered.



Sustainable water and wastewater management

The financing or refinancing of the establishment, acquisition, capacity expansion and upgrades of sustainable water facilities, the associated infrastructure and water efficiency measures.

Facilities and technologies designed to treat, distribute and conserve water, such as processing of wastewater, urban drainage systems, water purification processes, improved drinking water quality, improved reliable fresh water supply and increased water use efficiency.

The global demand for water has been increasing over the past decades and will continue to grow significantly in the foreseeable future as a function of population growth and increase in standards of living. Urban water supply and wastewater treatment are energy intensive industries and currently account for significant GHG emissions.¹² Preserving the excellent quality of drinking water is a high-priority in the Nordic countries.



Clean water and sanitation

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

¹¹ Evaluated as per FSC's small and low intensity managed forests (SLIMF)

¹² UN World Water Development Report 2018



Pollution prevention and control

The financing or refinancing of the establishment, acquisition, expansion, upgrades and/or ongoing management of waste management and waste to energy facilities and/or the associated infrastructure.

Waste management

Recycling facilities, including prevention, collection, treatment and processing of all types of waste, with the purpose to re-use and minimizing the amount of waste to landfill, bringing back valuable raw material to the market.

Waste to energy

Facilities for electricity generation, heating or both (CHP) using waste, water sludge and/or biofuel/biomass as fuel. Waste incineration follows a waste hierarchy to ensure that as much of the waste as possible is reused and recycled before being converted to energy. Life cycle aspects of waste transportation will also be considered. Also, fossil fuel waste such as plastics should be specially addressed in the waste to energy hierarchy.

Recycling materials and developing a circular economy requires advanced capabilities and organizational structures but have advantages in terms of cost, health, governance and environment.¹³ The Nordic region has proved that the circular economy is no longer just a theory, with a continuously increasing number of business ideas turning waste to profits.



Sustainable cities and communities

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management



Responsible consumption and production

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse



Climate change adaptation

The financing or refinancing of projects that target the preservation or advancement of adaptive capacity and resilience in order to reduce the vulnerability of human, wildlife and natural systems to the impacts of climate changes (e.g. sea level rise, drought, storms and extreme precipitation such as rain, hail and snow).

Adaptation projects will include a statement of purpose or intent to address or improve climate resilience in order to differentiate between adaptation to current and future climate change as well as putting the climate vulnerability into context (climate data, exposure or sensitivity).

Climate change adaptation and mitigation are complementary strategies for the management of future climate-related risks. While mitigation efforts reduce risks mainly over the coming decades, adaptation can benefit societies by addressing already experienced and near-term changes in climate. Adaptation is place- and context-specific and both incremental and transformational adaptation measures are required.¹³



Climate action

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

¹³ IPCC report on Climate Change 2014

Green Loan evaluation and selection process

As with all Danske Bank lending activities, all potential Green Loans in Danske Bank go through the standard credit process which intends to ensure compliance with applicable national rules and regulations, Know-Your-Customer processes and Danske Bank's own policies and guidelines, such as Credit, Anti-Money Laundering, Counter-Terrorist Financing and Sanctions policies. Moreover, potential Environmental, Social and Governance (ESG) risks are assessed for lending, and internal sector specific credit directives guide extending credit to certain high ESG-risk sectors.

From the existing and new lending in Danske Bank, sustainability experts within lending units evaluate potential Green Loans, their compliance with the Green Loan categories presented in this Framework and their environmental benefits. If the analysis so requires, Danske Bank might ask for additional information, such as environmental impact assessment or life cycle analysis. Danske Bank might also ask the client to sign a side letter specifying the purpose of the financing in case it is unclear. Based on the analysis, lending units can nominate loans as potential Green Loans.

When potential Green Loans have been nominated, a list including their environmental details, will be presented to Danske Bank's Green Bond Committee (the "GBC"). The GBC is solely responsible for the decision to acknowledge a loan as green, in line with the Green Loan Categories definition. Green Loans and related environmental details, together with the GBC decision, will be recorded into a dedicated registry ("Green Registry"). Some of the issuing entities within the Danske Bank Group may form their own sub-committee, reporting to the GBC, and/or keep their separate Green Registries.

GBC has the mandate to:

- Approve Green Loans
- Exclude already funded Green Loans
- Monitor the allocation of Green Bond net proceeds
- Maintain and update the Green Bond Framework

GBC will convene every other month or when otherwise considered necessary. GBC is chaired by the Head of Group Treasury and consists of representatives from, for instance, Sustainable Finance, Societal Impact and Sustainability, Risk Management. GBC is governed by Asset & Liability Committee of the Danske Bank Group.

Management of Proceeds

Tracking of Green Bond net proceeds

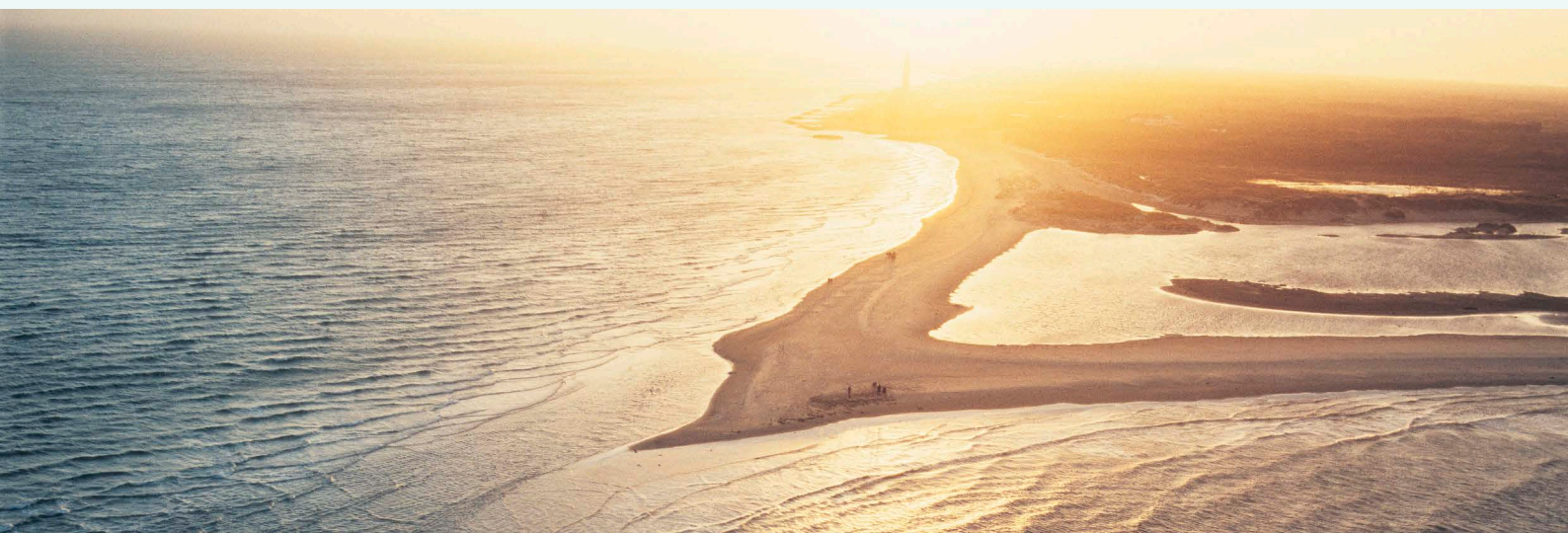
Danske Bank uses the Green Registries, on a portfolio basis, to keep track of the Green Loans per issuing entity. Green Registries are also used to keep track of the net proceeds from respective entities' Green Bond issuance. Danske Bank will strive, over time and for each issuing entity, to achieve a level of allocation for Green Loans that matches or exceeds the balance of net proceeds from its outstanding Green Bonds.

The Green Registries ensure that Green Bond net proceeds only support the financing of Green Loans or to repay Green Bonds.

Temporary Holdings

While any Green Bond net proceeds remain unallocated to Green Loans, Danske Bank will, per issuing entity, temporarily hold or invest any unallocated net proceeds at its own discretion in its treasury liquidity portfolio that consists of cash or other short term and liquid instruments. All Green Bond net proceeds shall be fully allocated within 36 months of issuance.

Temporary holdings will not be made in entities with a business plan focused on fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.



Reporting

Danske Bank will, per each issuing entity, provide the following Green Bond reporting, on annual basis on its website [danskebank.com](https://www.danskebank.com) until the issuing entity's Green Bonds have matured:

- A summary of general Green Bond developments.
- The outstanding amount of Green Bonds.
- Total allocation of Green Bond net proceeds to each Green Loan category.
- The balance of Green Loans in the Green Registries
- Performance reporting (as described below).

Performance reporting intends to disclose the positive environmental impact based on Danske Bank's share of financing the total investment. The impact assessment is provided with

the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis, e.g. if a Green Building is under construction but not yet operational, Danske Bank will use best estimates of future energy performance levels.

As Green Loan categories include a number of different project types, the final key performance indicators could differ from the ones listed below. Energy production/savings and greenhouse gas savings are considered the most relevant and will be prioritised.

Danske Bank intends to show, where and when available, an aggregation per issuing entity of the indicative key performance indicators listed in the table below.

GREEN LOAN CATEGORY	INDICATIVE KEY PERFORMANCE INDICATORS (KPI)
Clean transportation	Low carbon public transportation and vehicles <ul style="list-style-type: none"> • Number of vehicles • GHG savings (tonnes per year) Vehicle manufacturing <ul style="list-style-type: none"> • Number of vehicles (units per year) Low carbon transportation infrastructure <ul style="list-style-type: none"> • GHG savings (tonnes per year) due to the installed technology (direct), by transferring freight or passenger transport from road to e.g. railway (indirect) or both (as applicable) • Number of units installed (if applicable)
Renewable Energy	<ul style="list-style-type: none"> • Renewable energy generation (MWh per year) • Installed renewable energy capacity (MW) • GHG savings (tonnes per year) Renewable energy generation product manufacturing <ul style="list-style-type: none"> • Number of units produced
Transmission and energy storage	<ul style="list-style-type: none"> • Distance of transmission (Km) • Energy transmitted (MWh per year) • Energy savings (MWh per year) (if applicable) • GHG savings (tonnes per year)
Environmentally sustainable management of living natural resources and land use	Forests and forestry <ul style="list-style-type: none"> • Forest area (hectares) • Forestry certification scheme (if applicable) • Net carbon sequestration (tonnes per year) (if available) Agriculture <ul style="list-style-type: none"> • Agriculture land area (hectares) • Organic farming certification scheme • Type of crop and its proportion (if available) Fishery <ul style="list-style-type: none"> • Certification scheme • Type of fish (if available)
Green and energy efficient buildings	<ul style="list-style-type: none"> • Environmental certification or EPC (as applicable) • Reduction in energy use (MWh per year) • GHG savings (tonnes per year)
Pollution prevention and control	Waste management <ul style="list-style-type: none"> • Quantity of recycled material (tonnes per year) • GHG savings (tonnes per year) Waste and water to energy <ul style="list-style-type: none"> • Energy generation (MWh per year) • GHG savings (tonnes per year)
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Quantity of treated wastewater and/or supplied freshwater (cubic meters per year) • Qualitative improvements in freshwater supply and/or wastewater treatment.
Climate change adaptation projects	<ul style="list-style-type: none"> • Type of investment and the purpose

External review

Second party opinion

Sustainalytics has provided a second opinion to this Framework verifying its credibility, impact and alignment with the ICMA Green Bond Principles.

Assurance

An independent external auditor appointed by Danske Bank will provide on an annual basis limited assurance that an amount equal to the Green Bond net proceeds has been allocated to Green Loans.

Publicly available documents

The Green Bond Framework, the second party opinion, the limited assurance and the annual Green Bond report will all be publicly available on Danske Bank's website: danskebank.com.

Policies and Position Statements

SELECTED DANSKE BANK POLICIES	PUBLICLY AVAILABLE?
Code of Conduct	Yes
Compliance Policy	Yes
Diversity and Inclusion Policy	Yes
Investor Relations Policy	Yes
Procurement Policy	No
Societal Impact and Sustainability Policy	Yes
Sustainable Investment Policy	Yes
Remuneration Policy	Yes
AML Policy	Yes
Tax Policy	Yes
Stakeholder Policy	Yes
Whistleblowing Policy	Yes
Conflicts of Interest Policy	Yes
Succession and Talent Management Policy	No
Credit Policy	No

POSITION STATEMENTS	PUBLICLY AVAILABLE?
Human Rights Position Statement	Yes
Climate Change Position Statement	Yes
Arms & Defence Position Statement	Yes
Mining & Metals Position Statement	Yes
Forestry Position Statement	Yes
Agriculture Position Statement	Yes
Fossil Fuel Position Statement	Yes
Danske Bank Investment Restriction	Yes

Public policies and position statements are available at: danskebank.com/societal-impact

DISCLAIMER

THIS DOCUMENT IS INTENDED TO PROVIDE NON-EXHAUSTIVE, GENERAL INFORMATION. THIS DOCUMENT MAY CONTAIN OR INCORPORATE BY REFERENCE PUBLIC INFORMATION NOT SEPARATELY REVIEWED, APPROVED OR ENDORSED BY DANSKE BANK AND ACCORDINGLY, NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY DANSKE BANK AS TO THE FAIRNESS, ACCURACY, REASONABLENESS OR COMPLETENESS OF SUCH INFORMATION. THIS DOCUMENT MAY CONTAIN STATEMENTS ABOUT FUTURE EVENTS AND EXPECTATIONS THAT ARE FORWARD LOOKING STATEMENTS. NONE OF THE FUTURE PROJECTIONS, EXPECTATIONS, ESTIMATES OR PROSPECTS IN THIS DOCUMENT SHOULD BE TAKEN AS FORECASTS OR PROMISES NOR SHOULD THEY BE TAKEN AS IMPLYING ANY INDICATION, ASSURANCE OR GUARANTEE THAT THE ASSUMPTIONS ON WHICH SUCH FUTURE PROJECTIONS, EXPECTATIONS, ESTIMATES OR PROSPECTS HAVE BEEN PREPARED ARE CORRECT OR EXHAUSTIVE OR, IN THE CASE OF THE ASSUMPTIONS, FULLY STATED IN THE DOCUMENT. DANSKE BANK HAS AND UNDERTAKES NO OBLIGATION TO UPDATE, MODIFY OR AMEND THIS DOCUMENT, THE STATEMENTS CONTAINED HEREIN TO REFLECT ACTUAL CHANGES IN ASSUMPTIONS OR CHANGES IN FACTORS AFFECTING THESE STATEMENTS OR TO OTHERWISE NOTIFY ANY ADDRESSEE IF ANY INFORMATION, OPINION, PROJECTION, FORECAST OR ESTIMATE SET FORTH HEREIN CHANGES OR SUBSEQUENTLY BECOMES INACCURATE. THIS DOCUMENT IS NOT INTENDED TO BE AND SHOULD NOT BE CONSTRUED AS PROVIDING LEGAL OR FINANCIAL ADVICE. IT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SELL OR ANY SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR PURCHASE OR A RECOMMENDATION REGARDING ANY SECURITIES, NOTHING CONTAINED HEREIN SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT WHATSOEVER AND IT HAS NOT BEEN APPROVED BY ANY SECURITY REGULATORY AUTHORITY. THE DISTRIBUTION OF THIS DOCUMENT AND OF THE INFORMATION IT CONTAINS MAY BE SUBJECT OF LEGAL RESTRICTIONS IN SOME COUNTRIES. PERSONS WHO MIGHT COME INTO POSSESSION OF IT MUST INQUIRE AS TO THE EXISTENCE OF SUCH RESTRICTIONS AND COMPLY WITH THEM. THE INFORMATION IN THIS DOCUMENT HAS NOT BEEN INDEPENDENTLY VERIFIED. THE ADDRESSEE IS SOLELY LIABLE FOR ANY USE OF THE INFORMATION CONTAINED HEREIN AND DANSKE BANK SHALL NOT BE HELD RESPONSIBLE FOR ANY DAMAGES, DIRECT, INDIRECT OR OTHERWISE, ARISING FROM THE USE OF THIS DOCUMENT BY THE ADDRESSEE.

Danske Bank A/S
Holmens Kanal 2-12
DK-1092 København K
Tel +45 3344 0000
CVR No. 61 12 62 28 - København
danskebank.com