

Supplier Code of Conduct

March 2023

Approved by The Danske Bank Group's Business Integrity Council

Introduction

Danske Bank Group (hereinafter 'Danske Bank'), is committed to drive sustainable progress and positive impact in the societies we are part of – we are also committed to strive to operate our business sustainably, ethically and transparently. Danske Bank considers a sustainable supply chain to be an important element of the overall sustainability agenda, and our aim is to cooperate with suppliers that share these ambitions. Danske Bank includes environmental, social, and ethical standards when selecting and evaluating suppliers.

Purpose of the Supplier Code of Conduct

The Supplier Code of Conduct defines the fundamental requirements on environmental, social, and ethical standards for suppliers to Danske Bank and is an integral part of the agreement with suppliers. The requirements are minimum standards which suppliers must comply with to do business with Danske Bank.

Danske Bank strives to establish and maintain constructive relationships with suppliers based on dialogue and improvement to jointly achieve sustainability goals.

Compliance to national and regional laws and regulations

Danske Bank abides to applicable national and international laws, regulations, and standards stated in the Supplier Code of Conduct and expects suppliers to comply with such applicable laws, regulations, and standards. If a conflict occurs between any applicable law, regulation, standard and the Supplier Code of Conduct, Danske Bank expects suppliers to apply the highest standard.

Commitment to international initiative

The Supplier Code of Conduct is built on internationally recognised agreements that promote companies' management of adverse effects on human rights, labour rights, environmental protection, and anti-corruption practices.

Danske Bank adheres to the following standards and conventions

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- ILO Declaration of Fundamental Principles of Rights at Work
- UN Sustainable Development Goals (SDGs)
- Paris Pledge for Action
- Relevant ILO conventions
- See full list of standards and international initiatives, goals and standards which Danske Bank commits to ([LINK](#))

Due diligence and requirement to collaborate

Danske Bank recognises that suppliers may be at different maturity levels with regards to the requirements set out in this Supplier Code of Conduct and hence acknowledges that the transition can take time. Further, it is also recognised that some aspect of the Supplier Code of Conduct may not be relevant to all suppliers.

The requirements are therefore to be applied in a manner that is appropriate, considering the supplier's size and type of operation and the nature, scope and complexity of its activities.

However, if by intention or repeated negligence, suppliers fail to comply with the requirements stated in the Supplier Code of Conduct or if the supplier continually refuses to engage in due diligence activities or lacks commitment to make progress on issues identified during an assessment, Danske Bank reserves the right to pursue a termination of the contract.

Danske Bank expects suppliers to work with a collaborative mind-set and focus on continuous improvements. Suppliers must cooperate with Danske Bank on due diligence assessments, performance of risk/impact assessments, inspections, monitoring, reporting, and audits. Suppliers must implement actions to mitigate any identified and agreed risks. Suppliers must apply appropriate and necessary policies, procedures, management systems and due diligence measures to ensure compliance with the requirements of the Supplier Code of Conduct in the supply chain.

Obligations of suppliers and sub-suppliers

The Supplier Code of Conduct is an end-to-end supply chain initiative. Danske Bank's suppliers are responsible for setting the same or comparable standards for sub-suppliers to ensure the requirements are fulfilled throughout the supply chain.

Requirements for doing business with Danske Bank

1. Labour and human rights

All suppliers are obliged to demonstrate respect for workers' rights and cultures and ensure compliance with national laws and international labour and human rights standards, including but not limited to international standards established by International Labour Organization (ILO). Danske Bank expects suppliers to set standards that protect workers, ensure a healthy and safe working environment and prevent accidents and injuries related to physical and mental environment through proper training and preventive measures. The supplier must treat all employees with dignity and respect and secure a workplace free from harassment, abuse, and violence.

More specifically, all suppliers are obliged to comply with the following

- 1.1. Anti-discrimination** – The supplier does not discriminate based on ethnicity, religion, race, skin colour, nationality, social origin, age, disability, health status, gender, sexual orientation, membership of trade unions or political views
- 1.2. Working conditions** – The supplier ensures that working conditions, hours, rest periods, leave and wages are in accordance with local regulations and industry practice. They must be at a level that enables a fair standard of living according to local conditions. In addition, wages may not be withheld as a disciplinary sanction
- 1.3. Right to privacy** – The supplier respects its employees' right to privacy when it gathers or stores personal information
- 1.4. Freedom of association** – The supplier respects its employees' right to organise themselves and negotiate collective wage agreements. If independent trade unions are discouraged or restricted, the supplier enables workers to gather independently to discuss work-related issues
- 1.5. Forced labour** – The supplier is to apply measures to prevent human trafficking or any type of forced labour. This includes work on a forced contract, slavery and other forms of work that are undertaken against a worker's will or choice
- 1.6. Child labour and young workers** – The supplier is not associated with exploitative forms of child labour – Such as labour that damages children's physical or mental health or prevents them from getting their education. When employing young workers, suppliers must act in accordance with the International Labour Organization's standards

2. Environment

Danske Bank believes that our environmental strategy is essential to the sustainability of our business and to the health of the communities where we live and work. Danske Bank expects suppliers to comply with local environmental law, integrate environmental considerations in the operation and strive for continuous environmental improvements to develop a sustainable business.

More specifically, all suppliers are obliged to comply with the following

- 2.1. Environmental considerations** – The supplier has a policy commitment to address environmental considerations and commits to proactively undertake initiatives to protect the environment from harm and degradation in relation to their operation
- 2.2. Registration and reporting of environmental impact** –The supplier has an environmental management system to record environmental impacts and performances relevant for the type and size of the supplier's operation
- 2.3. Environmental requirements for specific products and services** –Danske Bank has specific [environmental requirements for selected products and services](#), e.g., hardware and office supplies. The supplier must comply with the requirements when relevant to the deliveries to Danske Bank

3. Business ethics

It is imperative that Danske Bank's suppliers uphold the highest standards of integrity, operate with honesty and engage in responsible and appropriate behaviour. Supplier should implement measures to eliminate and avoid unethical behaviour.

More specifically, all suppliers are obliged to comply with the following

- 3.1. Anti-bribery and anti-corruption** – The supplier ensure a high level of business integrity and comply with all applicable laws and regulations concerning bribery, corruption, fraud, money laundering, tax evasion, conflicts of interest, and competition through policies or guidelines published and implemented in the supplier's organisation and supply chain
- 3.2. Complaint mechanism** – The supplier provides a complaint mechanism for managers, workers, sub-suppliers, and communities to report grievances

Compliance to the Supplier Code of Conduct

Where a supplier does not comply with the Supplier Code of Conduct the supplier must proactively inform Danske Bank hereof. Danske Bank will initiate a dialogue to clarify the circumstances and the scope of the non-compliance. The supplier and Danske Bank will jointly develop a corrective action plan to ensure compliance with the Supplier Code of Conduct.

Danske Bank reserves the right to audit suppliers and sub-suppliers to validate compliance with the Supplier Code of Conduct and the correctness of the information provided to Danske Bank.

If a supplier 1) has provided incorrect information, or 2) if non-compliance cannot be remedied, or 3) if the supplier cannot implement the required improvements to become compliant within the agreed timeline, Danske Bank reserves the right to end the business relationship. The supplier is not entitled to any compensation for such termination. The supplier is solely responsible for all expenses incurred for complying with the Supplier Code of Conduct.

The supplier has a duty to proactively report to Danske Bank regarding any deviation from this Supplier Code of Conduct. Mail contact - ppsustainability@danskebank.dk.