

Supplier Code of Conduct

SEPTEMBER 2016

Approved by Danske Bank Group's Business Integrity Board

Introduction

Danske Bank Group wants to ensure that it has responsible supplier relationships by integrating environmental, social and ethical standards and by focusing on impact and risk. We strive to maintain constructive relations based on dialogue and improvement, and we expect that our suppliers adhere to the same standards.

The Supplier Code of Conduct (the Code) defines our requirements for suppliers in terms of their responsible business conduct. It is essential that our suppliers as a minimum comply with all applicable national laws and regulations and also meet the requirements in the Code.

The Code is built on internationally recognised agreements that promote companies' management of adverse effects on human rights, labour rights, environmental protection and anti-corruption practices, among other things. Danske Bank Group endorses the following initiatives:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights

Obligations of suppliers and subcontractors

The Code applies to all Danske Bank's suppliers that deliver goods and services to any of Danske Bank Group's business units and subsidiaries.

The Code is a total supply chain initiative, and the Group's suppliers are responsible for setting the same or comparable standards for their subcontractors. It is the responsibility of the supplier to ensure that their subcontractors are informed of the Code and uphold the requirements. The Group will conduct control measures from time to time.

Requirements for doing business with Danske Bank Group

The Group expects suppliers to meet the following requirements:

1. Labour and human rights

- 1.1. The supplier does not discriminate on the basis of ethnicity, religion, race, skin colour, nationality, social origin, age, disability, health status, gender, sexual orientation, membership of trade unions or political views.
- 1.2. The supplier ensures that working conditions, hours, rest periods, leave and wages are in accordance with local regulations and industry practice and are 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. The supplier respects its employees' right to privacy when it gathers or stores personal information.
- 1.4. The supplier respects its employees' right to organise themselves and negotiate collective wage agreements. If independent trade unions are either discouraged or restricted, the supplier enables workers to gather independently to discuss work-related issues.
- 1.5. The supplier is not associated with human trafficking or any type of forced labour. This includes work on a forced contract, slavery and other forms of work that are done against a worker's will or choice.
- 1.6. 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 going to school. When employing young workers, suppliers must act in accordance with the International Labour Organization's standards ([Read ILO standards](#))

2. Health and safety

- 2.1. The supplier provides a healthy and safe working environment and prevents accidents and injuries related to the physical and mental environment through proper training and preventive measures. The supplier needs to be able to demonstrate progress in that regard.

3. Environment

- 3.1. The supplier works continually to comply with local environmental law in a systematic manner.
- 3.2. The supplier has a written environmental policy that is relevant to its type of operation and size.

3.3. The supplier has established an environmental management system, either one that is certified in accordance with ISO 14001 or one that includes at least the following:

- A written environmental policy
- Follow-up on observance of prevailing environmental legislation
- Identification and ongoing monitoring of the company's most significant environmental impact issues
- Actions to improve the company's environmental impact
- Internal audit

3.4. The supplier complies with Danske Bank Group's environmental guidelines and requirements for products ([link](#)).

4. Business integrity

4.1. The supplier complies with all applicable laws and regulations concerning bribery, corruption, fraud, intellectual property rights and competition and ensures a high level of business integrity.

4.2. The supplier provides a complaint mechanism for managers, workers and communities to report workplace grievances.

Compliance

In cases in which we believe that a supplier does not comply with the Code, we will initiate a dialogue in order to clarify the circumstances. Together we will agree on a corrective action plan with a reasonable timeline that enables the supplier and in some cases subcontractors to be in full compliance with the Code.

We reserve the right to audit the supplier's and in some cases subcontractors' compliance with the Code and the information given by the supplier. If the supplier or subcontractors are in breach of the Code, we will initiate a dialogue and ask for an implementation plan for improvements that will bring the supplier and/or subcontractor back into full compliance with the Code.

The Code and potential corrective action plans are specified in the contracts with individual suppliers. If the supplier has given incorrect information or cannot implement the required improvements, we reserve the right to end our business relationship. In this case the supplier is not entitled to any compensation.

The supplier is solely responsible for any expenses incurred for complying with the Code.

The supplier has a duty to proactively report to Group Procurement any deviation from this policy that it becomes aware of so that we can agree on a resolution mechanism.