

Statement on Modern Slavery Act

DANSKE BANK GROUP
5 FEBRUARY 2020

Introduction

Danske Bank Group supports the UK Modern Slavery Act 2015 and its objective to eradicate forced labour and human trafficking. We aim to be recognised as a trusted financial partner, acting in accordance with our core values while taking into account internationally recognised principles for environmental protection, human and labour rights, business ethics and anti-corruption. This includes improving business practices to combat modern slavery.

About Danske Bank Group

Danske Bank Group is a Nordic universal bank with strong regional roots and close ties to the rest of the world. For more than 145 years, we have been helping people and businesses in the Nordic countries realise their ambitions. Today, we serve more than 2.8 million personal, business, institutional and wealth management customers in 13 countries, including the United Kingdom and Northern Ireland. In addition to banking services, we offer life insurance, pension, mortgage credit, wealth management, real estate and leasing services and products. Our vision is to be recognised as the most trusted financial partner and to drive sustainable progress and positive impact in the societies we are part of.

Policies and commitments

We are committed to respecting human rights, and we work to combat any kind of modern slavery in our business and our supply chains. National legislation, our core values and international agreements form the basis for how we conduct our business in a responsible and transparent manner.

We observe and support a number of initiatives of relevance to the Modern Slavery Act:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- The Universal Declaration of Human Rights
- The ILO Declaration of Fundamental Principles of Rights at Work
- The Principles for Responsible Investment
- The Principles for Responsible Banking

Danske Bank Group has a number of supporting policies and statements specifying our environmental, social and governance (ESG) commitments. These include our Societal Impact & Sustainability Policy; Sustainable Investment Policy; Credit Policy; Code of Conduct Policy for employees; Anti-money Laundering, Counter-Terrorist Financing and Sanctions Policy; Supplier Code of Conduct; Whistleblowing Policy; and position statements on industries with elevated ESG

risks. We also have a Global Framework Agreement with UNI Global Union on fundamental labour rights within Danske Bank Group. In addition, our subsidiary company Northern Bank Limited has a separate Modern Slavery Act Policy governing local practices.

With specific relevance to the Modern Slavery Act, we in 2018 published a position statement on human rights. This position statement provides guidance on how Danske Bank works to protect and respect human rights in our operations and through our business relationships with companies we procure from, lend to and invest in.

Processes and procedures

At Danske Bank Group, we have processes and procedures in place to ensure that human rights risks are identified, assessed and addressed. These include the following:

For our employees:

- We have HR management procedures in all the countries where we operate to ensure that all employees are recruited lawfully, and we work closely with trade unions in order to ensure compliance.
- To the extent it is legally acceptable, we require employees in all the countries where we operate to have valid residence and work permits in order to ensure that they are living and working legally in the country in question.
- Employees can report possible wrongdoings through our whistleblower scheme.

For our suppliers:

- Our due diligence process includes assessing relevant modern slavery risks in our supply chain, and it ensures that our suppliers comply with our responsibility standards. We clarify our requirements in a Supplier Code of Conduct, which also states that suppliers are responsible for setting the same or comparable standards for their subcontractors.

For our customers:

- When lending, we consider the purpose for which the funds will be used and check for ESG issues. We do this to ensure that our customers' conduct is in accordance with our Credit Policy, our Societal Impact & Sustainability Policy and the international principles we endorse.
- If our assessments show that continuing a customer relationship is contrary to our principles, we engage in dialogue and seek solutions in collaboration with the customer.

For our investments:

- We integrate ESG as a factor alongside financial factors into our investment processes. This includes thorough research of our portfolio companies as well as screening to identify ESG risks. All risks are researched, assessed and addressed by our portfolio managers through active dialogue and engagement.

Training

We have several training programmes to ensure that employees adhere to our policies and procedures, including eLearning modules on compliance, anti-money laundering and whistleblowing. Every year, all employees who engage with personal customers must complete a mandatory eLearning programme that covers Know Your Customer procedures. Procurement, investment and credit employees undergo specific training in ESG matters relating to their business.

Key actions 2019

Throughout 2019, we carried out a number of actions across several areas of our business, as outlined below. Together, these initiatives contribute to a more robust framework for detecting, eliminating and avoiding slavery and human trafficking in our business. For our subsidiary company Northern Bank Limited, this is achieved through their risk management framework.

Lending:

- We revised our ESG governance guidelines to heighten focus on clear roles and responsibilities in the credit process, to set out more specific requirements to help guide risk assessments and to ensure a clear process overview.
- We have included ESG risk in the ongoing review of sector risks, and we have trained approximately 700 employees in ESG risk assessment across our markets and business units.

Procurement:

- In relation to our suppliers, we carried out four supplier audits, in which the selected suppliers were examined in relation to their compliance with the requirements stipulated in our Supplier Code of Conduct, including issues covered by the Modern Slavery Act.

Compliance:

- To strengthen our compliance capabilities, Philippe Volland joined Danske Bank as Chief Compliance Officer and member of the Executive Leadership Team in November 2018. Since then, a new Group Compliance organisational structure has been created with experienced international professionals hired to fill key positions.
- In addition, a team dedicated to Conduct Compliance was established to focus on issues such as ESG commitments within Danske Bank's Code of Conduct.
- To further promote the Group Compliance agenda and set the tone from the top, two new conduct committees were established: the Conduct & Reputational Committee as an Executive Leadership Team committee, and the Conduct & Compliance Committee as a Board of Directors committee.

More insights

Further information on our business and conduct can be found in our Annual Report 2019, Sustainability Report 2019 and Sustainability Factbook 2019, as well as on our website - danskebank.com.

Approval

This statement covers the financial year 1 January 2019 to 31 December 2019.



Karsten Dybvad
Chairman, Board of Directors