

Sustainability statement

Danske Bank has both the responsibility and the financial ability through our core business activities* to help accelerate and enable the transition to a more sustainable future for our customers and the societies in which we operate.

Our strategic approach is based on a core belief that Danske Bank and our customers must transition in parallel with the wider economy, guided by the overarching sustainability goals defined by society. This approach is also expressed in Danske Bank's purpose: to release the potential in people and businesses by using the power of finance to create sustainable progress today and for generations to come.

Concluding our 2023 sustainability strategy

2023 was the final year of Danske Bank's 2023 Group Sustainability Strategy, which was launched in 2020 to support our ambition to be a leading bank for sustainable finance in the Nordic countries. In the strategy's core focus area of sustainable finance, we have made strong progress and have met both of our 2023 targets. Furthermore, we have also achieved progress in all five of the strategy's other focus areas, although results in a few of these areas fell slightly short of







meeting the targets that had been set, see overview of target fulfilment below.

During the strategy period, the UN Principles for Responsible Banking (PRB) served as a framework for aligning our business with societal goals, including the UN Sustainable Development Goals (SDGs) and the goals of the Paris Agreement. The strategic focus areas of the strategy directly supported five of the 17 SDGs, but our core business activities have potential positive and negative impacts on all SDGs. In the context of the PRB, assessments of our lending portfolio in 2022 and of our investment portfolio in 2023 identified climate change and biodiversity as two significant impact areas for Danske Bank.

Sustainability approach towards 2028

In our Forward '28 strategy, one of the overall strategic ambitions is for Danske Bank to be a leading Nordic bank in supporting the sustainability transition of customers, companies and Nordic societies. To meet this ambition, we are continuously developing our sustainability-related commercial offerings, managing sustainability-related risks to our business, and at the same time strengthening the management of our impact on climate, nature, biodiversity and people.

2023 Group Sustainability Strategy

Focus area	Targets and achievements	SDG contribution	Read more
Sustainable finance	Sustainable financing By year-end 2023, we had arranged or granted DKK 365 billion in sustainable financing (2022: DKK 273 billion), which includes green loans and arranged sustainable bonds, thereby exceeding our 2023 target of DKK 300 billion.		p. 16
	Responsible investments With DKK 53 billion invested in funds with sustainability objectives by year-end 2023 (2022: DKK 52 billion), we continue to progress towards our target of investing DKK 150 billion by 2030.		p. 17
	With DKK 55.4 billion invested in the green transition by Danica Pension by year-end 2023 (2022: DKK 37.7 billion), we surpassed our 2023 interim target of investing DKK 50 billion, with an ultimate target of allocating DKK 100 billion by 2030.		p. 17
Environmental footprint	With a 46% carbon emissions reduction from own operations since 2019 (2022: 52%), we have exceeded our target of 40% carbon emissions reduction by 2023 and are also making progress to reach our target of 60% by 2030.		p. 19
Employee well-being & diversity	With a share of 34% women among senior leaders (2022: 34%), we have not reached our target of minimum 35% by 2023.		p. 21
	We achieved an employee engagement score of 75% in 2023 (2022: 76%) and therefore did not accomplish our target of minimum 77%.		p. 20
Financial confidence	With approximately 2.4 million children, young people and parents supported with financial literacy tools and expertise since 2018 (2022: approximately 2.1 million), we exceeded our target of supporting 2 million individuals by 2023.		p. 22
Entrepreneurship	With 7,909 start-ups and scale-ups supported with growth and impact tools, services and expertise since 2016 (2022: 7,231), we have not reached our target of supporting 10,000 start-ups and scale-ups by 2023.		p. 22
Governance & integrity	97% of employees completed and passed risk and compliance training on time in 2023 (2022: 97%), which is in line with our annual target of over 95%.		p. 23

Danske Bank's sustainability statement, including appendix - Management's report (cont.) Sustainability - EU Taxonomy disclosures on pages 253-287, ensures compliance with section 135a and b of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. and also meets disclosure obligations related to Article 8 of the EU Taxonomy and underlying delegated acts.

* For a description of our business model, please see note G3 on Business model and business segmentation and page 41 for an overview of our business units.

Sustainability governance

Danske Bank anchors the governance of sustainability at the level of the Board of Directors (BoD) and the Executive Leadership Team (ELT). In 2023, the BoD further developed its sustainability competencies with a tailored digital training course and on-site seminar covering climate change, nature, biodiversity, and human rights.

Frontline employees and leaders across our Nordic markets were trained in how to discuss the implications of sustainability with our business customers. We also conducted tailored sustainability training for personal customer advisers and leaders in Denmark. To ensure that all employees know how we are working with sustainability and how they can use this insight when they engage in discussions with colleagues, customers and partners, all employees must complete an annual sustainability eLearning course that includes a mandatory sustainable finance module. In 2023, this module was updated to include content on biodiversity and how to avoid the risk of greenwashing.

To ensure efficient strategy execution, we integrate sustainability-related KPIs into our performance management framework. All members of the ELT and all senior leaders had sustainability-related KPIs in their short-term incentive programme, with reference to selected 2023 Group Sustainability Strategy targets on sustainable finance and environment.*

In terms of risk management, the principal risks already faced by the Group can potentially be intensified by a range of interlinked sustainability risks. In 2023, climate risk management remained a priority, particularly in respect of credit risk management.** Other risk areas in focus include practices for sustainable products and services and fair treatment of customers.

Business Integrity Committee

Our committees and councils form part of our sustainability governance, in which the ELT's Business Integrity Committee (BIC) chaired by our CEO is the overall governing body. The BIC is mandated to set Danske Bank's strategic direction, ambition level, related principles and policies and to prioritise resources across the sustainability agenda, while also overseeing the implementation of the strategic sustainability priorities.

In 2023, areas of key decision-making included initiating implementation of our Climate Action Plan, setting nature and biodiversity engagement targets, publishing our first Human Rights Report, and updating our strategic framework for sustainability as part of our Forward '28 corporate strategy.

Engaging with stakeholders on material sustainability issues

We continuously engage with a wide range of stakeholders to increase our understanding of our impacts and to exchange knowledge in line with our Stakeholder Policy. In 2023, we gathered stakeholders' perspectives by conducting dedicated interviews on what sustainability issues the stakeholders deem to be material for Danske Bank.

The stakeholder interviews were part of a comprehensive double-materiality assessment initiated in view of the EU Corporate Sustainability Reporting Directive (CSRD), which we are required to report under from 2024. Double materiality requires an assessment of financial implications for Danske Bank stemming from sustainability-related risks and opportunities (i.e. financial materiality) as well as an assessment of actual or potential positive or negative impacts on people or the environment caused or contributed to by Danske Bank's activities (i.e. impact materiality).

In 2024, we will finalise our first double-materiality assessment and bring together our financial and impact materiality results as part of our CSRD reporting.



* For more details, please see our Remuneration Report 2023 available at danskebank.com/remuneration.

** For more details, please see our Risk Management 2023 report available at danskebank.com/rm.

ESG highlights – Danske Bank Group

Overview of third-party-assured environmental, social and governance (ESG data). Data is prepared in accordance with our ESG data reporting principles, see pages 63-65.

Sustainable finance	2023	2022
Green loans granted to customers in DB [DKK billions]*, **	41.9	34.8
Green loans granted to customers in RD [DKK billions]*, **	27.1	21.5
Bloomberg League Table share of arranged sustainable bonds [DKK billions]**	82.9	62.5
Assets under management (AuM) in funds with a sustainable objective – Article 9 [DKK billions]	53	52
Investments in the green transition by Danica Pension [DKK billions]	55.4	37.7
Environment		
CO ₂ e emissions scope 1 (tonnes)	201	245
CO ₂ e emissions scope 2 market-based (tonnes)	1,753	2,062
CO ₂ e emissions scope 2 location-based (tonnes)	6,306	7,902
CO ₂ e emissions scope 3 own operations (tonnes)	7,338	6,055
Total CO ₂ e emissions – scope 1, scope 2 market-based, scope 3 own operations (tonnes)***	9,292	8,362
Energy consumption (electricity and heat) [MWh]	70,013	82,457
Renewable energy share scope 1 and 2 [%]	53	51
Social		
Gender diversity on the Board of Directors elected at the Annual General Meeting (w/m%)	38/62	44/56
Gender diversity in the Executive Leadership Team (w/m%)	22/78	25/75
Gender diversity in senior leadership positions (w/m%)	34/66	34/66
Gender diversity in leaders in general (w/m%)	41/59	39/61
Gender diversity in the workforce (w/m%)	51/49	50/50
Employee gender pay ratio [%]	79	76
Employee turnover [%]	18	15
Employee engagement [%]	75	76
Number of start-ups and scale-ups supported with growth and impact tools, services and expertise	7,909	7,231
Number of people supported with financial literacy tools and expertise	2,416,716	2,079,479
Governance		
Employees trained in risk and compliance [%]	97	97

* Green loans granted by the Group include green loans issued to business and corporate customers in the Business Customers and Large Corporates & Institutions segments.

** Our 2023 sustainable financing target includes green loans on the balance sheets in Danske Bank and Realkredit Danmark and Bloomberg League Table share of arranged sustainable bonds (excluding sustainability-linked bonds) from current year and previous years (2019-2022). Total accumulated sustainable financing in 2023 DKK 365.3 billion.

*** For our 2023 target for CO₂e reductions from own operations, the baseline used is 17,302 tonnes of CO₂e emissions from 2019. Our baseline and comparative figures were restated in 2023 due to the addition of benefit cars in Denmark not previously reported, addition of data related to emissions from working from home, reclassification of emissions from car travel between scope 1 and scope 3, and a change in accounting policies with respect to applied emissions factor for district heating in Denmark. All numbers have been restated to 2019, with details outlined in our Sustainability Fact Book 2023. Our target of a 40% emissions reduction equates to 6,921 tonnes of CO₂e in 2023, and our target of a 60% emissions reduction equates to 10,381 tonnes of CO₂e in 2030. Our total CO₂e emissions from our own operations in 2023 amounted to 9,292 tonnes (scope 1, scope 2 market-based and scope 3 from own operations), which we have fully offset with carbon credits, see page 19. Our total CO₂e emissions according to the Greenhouse Gas Protocol location-based methodology amounted to 13,845 tonnes.

Sustainable finance

Sustainable finance covers financial activities that support economic growth and at the same time reduce negative impacts and increase positive impacts on environmental, social and governance (ESG) factors. Examples of sustainable finance solutions include our green loans and sustainability-linked loans, sustainable bond issuances, investments in funds with sustainable investment objectives, and Danica Pension's investments in the green transition. Through our advisory services, we aim to provide customers with a financiers' perspective on their own sustainability agenda, and we focus on whether our customers' business activities and ESG disclosures are sufficient to meet current financial market requirements regarding access to capital.

Sustainable finance policy

Danske Bank's Sustainable Finance Policy lays out the principles for sustainable finance in the Group and defines how we work to integrate sustainability into financial solutions, processes and governance.

Whereas our approach is governed by our Sustainable Finance Policy, our stance on material sustainability issues across sectors and topics is set out in further detail in our Danske Bank Group position statements, which are regularly reviewed. In March 2023, we published our updated Position Statement on Fossil Fuels, see page 19, and in May 2023 we published our updated Position Statement on Human Rights, see page 20.

Supporting our customers' transitions

In 2023, we further developed our approach to assessing companies' transition plans in the areas of lending and investment. In lending, the method we employ to drive change typically involves having close long-term relationships through which we can influence positive change. We use a different approach to drive change in the area of investments, where we exercise active ownership by engaging with investee companies – either on our own or through collaborative engagements with other investors and/or through different initiatives. Our equity investments also give us the opportunity to vote on shareholder proposals, see page 17.

We prioritise engagement and dialogue with companies over immediate exclusion. And in relation to climate change, we seek to enable credible climate transition action plans – not least in high-impact sectors – and facilitate solid traction. Our main focus is to support our customers and investee companies through the transition to a more sustainable economy, but if our engagement efforts are unable to secure acceptable transition plans and actions, we may ultimately exit the relationship.

We also engage with companies about risks and opportunities associated with the transition, and we proactively discuss potential business-related implications these may have.

For personal customers, we integrate sustainability into our customer dialogues, offer a broad selection of responsible investment solutions and provide favourable lending for energy-efficient homes and for electrical and plug-in hybrid vehicles.



Sustainable financing

At Danske Bank, we are strongly committed to contributing to society's sustainability transition through our role as a trusted lender and financial adviser to our customers. This includes assessing the implications of the green transition as potential credit risk drivers and collaborating with our customers to mitigate potential ESG risks.

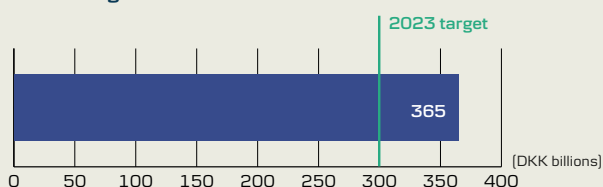
For the vast majority of business customers, we consider and assess the level of ESG risks as one of the many risk factors we consider and assess to determine creditworthiness and to ensure that the customer is in alignment with the Group's position statements and with the requirements of our Sustainable Finance Policy and Credit Policy. At the individual customer level, we use our ESG screening tools to identify and monitor cases with high ESG risk as part of the standard credit assessment process.

For customers in high-carbon-emitting sectors in the LC&I segment, we additionally assess the customers' transition plans. At the portfolio level, risks are monitored and managed through sector-risk reviews and through our risk tolerance setup, which is also informed by the mapping of our financed emissions and climate scenario analysis. Sectors that have a high level of exposure to ESG risks are subject to additional oversight, as outlined in our policies.

Exceeding our 2023 financing target

In 2023, interest in our sustainable financing offerings continued despite the fact that financial markets continued to be affected by geopolitical circumstances. By year-end 2023, we had arranged or granted DKK 365 billion since 2019 (2022: DKK 273 billion) in sustainable financing, which includes green loans and arranged sustainable bonds, thereby exceeding our 2023 target of DKK 300 billion, as shown in the graph.

Sustainable financing, including granted green loans and arranged sustainable bonds



Data is accumulated from 2019 and covers granted green loans and arranged sustainable bonds. By year-end 2023, we had arranged or granted DKK 365 billion since 2019 (2022: DKK 273 billion). The increase was mainly driven by our continuous successes in sustainable bond arranging.

Sustainable bonds include green, social and sustainability bonds, which are use-of-proceed bonds that exclusively finance projects that have a positive environmental and/or social impact. The data does not include sustainability-linked loans and bonds and self-led bond issues for Danske Bank and Realkredit Danmark.

The Group's green loans are earmarked for specific green projects in line with Danske Bank's Green Finance Framework. This framework broadly aligns with the Technical Screening Criteria of the EU Taxonomy and defines the activities that may be financed by proceeds from the issuance of green bonds. By year-end 2023, the amount provided in Danske Bank and Realkredit Danmark green loans stood at DKK 69 billion (2022: DKK 56 billion), with the largest share of green loans being provided to real estate and renewable energy initiatives.

To support customers with their own sustainability agendas, we help them to develop their own sustainable financing frameworks, often focused on transition and mobilisation of debt capital towards environmentally beneficial purposes. In 2023, we acted as framework structuring adviser for large corporations and institutions in the Nordic countries and the EU, see page 51.

Other measures supporting customer transitions

To help support the sustainable transition of society, we continued to employ various measures and to engage in partnerships throughout 2023. Examples include the following:

Digital ESG tool

ESG Profilen is a free digital tool designed to support small and medium-sized enterprises in Denmark in their sustainability transition by mapping ESG activities, key figures, priorities and stakeholder expectations. ESG Profilen was launched in May 2023 by Lederne in partnership with among others, Danske Bank.

Energy-improvement campaigns and loans

In Denmark, energy-efficiency improvements continued to be promoted to homeowners through campaigns and by providing service offerings in partnership with energy consultants and by offering low interest rate loans without fees. We also participated in the *Fyr dit fyr* scheme from the Danish government and Finance Denmark encouraging homeowners to replace oil and gas boilers with energy-efficient alternatives.

Transition-linked financing in shipping

As a member of the Norwegian Green Shipping Programme, Danske Bank together with industry participants helped develop guidelines for transition-linked financing for seagoing fishing fleets. Launched in September 2023, the guidelines aim to enable assessment of selected decarbonisation indicators over the term of a loan or a bond to incentivise better environmental performance.

Green fleet leasing

Via leasing, Danske Bank aims to reduce customers' carbon emissions from road transportation. The GreenFleet70 concept is offered to businesses in Denmark and Sweden and includes an extensive selection of electric vehicle models. In 2023, the percentage of electric cars newly registered in our portfolio stood at 33% (2022: 13%); for vans, the equivalent figure was 6% (2022: 3%), and for trucks it was 8.5% (2022: 0.8%).

Responsible investments

As a responsible investment manager, we must remain mindful of how sustainability-related factors affect investment performance and how our investments may have positive and/or negative impacts on society. In our Responsible Investment Policy, we refer to this principle as double-materiality, and we commit to integrate double-materiality considerations into our investment processes. Supplementary to our policy are instructions on exclusions, sustainability risk integration, inclusions and active ownership.

We use active ownership as a measure to protect the value of our customers' investments, generate attractive returns and manage societal impacts of our investments. In 2023, our active ownership efforts* involved dialogue with 809 companies (2022: 978 companies*), in which we addressed 115 different ESG topics (2022: 114 ESG topics*). Issues related to capital structure, Greenhouse Gas (GHG) emissions and energy were the most common topics of engagement. Voting activities for our equity investments are still in focus, and we voted at 4,972 general meetings (2022: 4,957 general meetings*), covering 61,926 proposals (2022: 61,373 proposals*) in 64 country domiciles (2022: 65 country domiciles).

Impact measurement and reporting

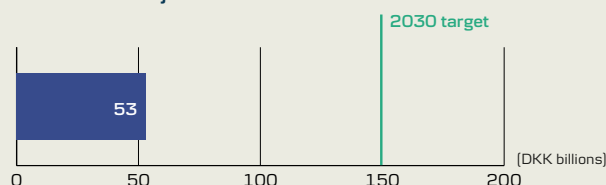
By measuring and reporting on the performance of our funds in relation to their principal adverse impacts on sustainability factors, we are well equipped to address and, as needed, steer portfolios in the direction of mitigating negative impacts. The majority of our funds and other investment products are measured against indicators on principal adverse impacts defined in the EU Sustainable Finance Disclosure Regulation (SFDR), and we began to report on those impacts during 2023.

With regard to measuring positive impact on sustainability factors, we have developed a sustainable investments model: the SDG Model. This model builds upon the definition of sustainable investment as stated in the SFDR, and it measures the positive impacts on the UN Sustainable Development Goals (SDGs) resulting from our investments in actively managed strategies. We apply this model across strategies, and a substantial proportion of our funds are committed towards making sustainable investments in accordance with the model, either partially or fully. In 2023, we started reporting on these commitments.

Progress towards our 2030 investment targets

Our 2030 investment targets cover investments in funds with sustainable investment objectives, as defined by SFDR Article 9, and investments in the green transition by Danica Pension. As shown in the graphs, we are making progress towards our 2030 investment targets, and Danica Pension's interim target for 2023 of DKK 50 billion in investments in the green transition was exceeded by DKK 5.4 billion.

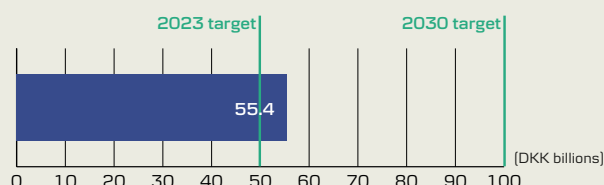
Investments in funds with a sustainable investment objective



Data is accumulated from 2021 and covers investments in funds with sustainable investment objectives, as defined by SFDR Article 9.

In 2023, our investments increased 2% from 2022 (DKK 52 billion), ultimately allocating DKK 53 billion. The increase stems primarily from a positive market development, seen both from an equity and a fixed income perspective.

Investments in the green transition by Danica Pension



Data is accumulated from 2019 and covers green infrastructure, green bonds, certified sustainable properties, and equity and bond investments in the green transition.

In 2023, our investments in the green transition increased 47% from 2022 (DKK 37.7 billion), and we surpassed our 2023 interim target of investing DKK 50 billion in the green transition, ultimately allocating DKK 55.4 billion. The green bonds market in particular has matured in recent years, offering attractive risk/return profiles, which is why Danica Pension has invested significantly in this asset type.

Responsible pension solution

The Danica Balance Responsible Choice pension solution has a heightened focus on promoting sustainability, with at least 75% of the underlying investments aiming to contribute to one or more of the SDGs. From 2022 to 2023, Danica Pension saw an increase of 39% in the number of customers whose pension savings are partially or fully invested in Danica Balance Responsible Choice. This brought the total number of customers using this solution to approximately 22,000 in 2023 (2022: approximately 16,000 customers), and the amount held in assets under management (AuM) at year-end 2023 stood at DKK 4.9 billion (2022: DKK 3.4 billion).

* Active ownership efforts include Danske Invest and Danica Pension. In previous years' sustainability reports, only Danske Invest' figures on active ownership were presented.

Environment

Climate change

Danske Bank supports the transition towards net-zero carbon emissions by 2050 or sooner and is guided by the bank's commitments to the net-zero alliances within banking, asset management and asset ownership and to the Science Based Targets initiative (SBTi). These alliances and initiatives are aligned with the goals of the Paris Agreement to limit the temperature increase to well below 2°C, ideally 1.5°C, above pre-industrial levels.

Climate change entails significant financial implications related to transition risks and physical risks*, but it also represents opportunities for Danske Bank and for society. Large-scale investments are required to significantly reduce carbon emissions from society's production and consumption activities, and high levels of capital are needed to finance adaptation to the adverse effects of a changing climate. Although carbon emissions occur across Danske Bank's upstream and downstream value chains and from our own operations, the largest impact is through our financed emissions** attributed to our lending and investment activities.

Based on a mapping of our carbon footprint, we launched our Climate Action Plan in January 2023, which governs our transition towards net zero. In conjunction with this, we also

submitted climate targets for SBTi validation. Our Climate Action Plan maps our approach and sets intermediate targets for our lending and investment portfolios as well as for our own operations. Portfolio targets relate to high-emission sectors that are most material in our portfolio, such as shipping, oil and gas, power generation, steel, cement, and real estate. Progress on our climate targets varies across sectors and activities, as expected. Overall, we observe progress to be in line with trajectory expectations***.

Decarbonising shipping

With shipping being one of the most material sectors in our decarbonisation trajectory, Danske Bank is a member of the global Getting to Zero Coalition and one of the founding signatories of the Poseidon Principles. Through these commitments, we seek to assess and disclose the climate alignment of our shipping lending portfolios with the IMO's decarbonisation ambition updated in 2023. During 2023, in addition to engaging with our customers about their carbon emissions, we also started to engage with them about potential biodiversity impacts related to other air emissions, ocean pollution, underwater noise and invasive species. In 2023, we also continued to include responsible recycling clauses in all of our loan agreements, in support of the Responsible Ship Recycling Standards.

Danske Bank's decarbonisation targets and approach

Objective	Net zero by 2050	
Carbon emissions	Financed emissions	Own operations
	Financed emissions are indirect emissions that relate to our lending and investment portfolios. According to our current best estimates, financed emissions account for a significant majority of our total footprint and fall under scope 3 category 15 in the GHG Protocol.	Emissions from our own operations account for a small part of our total footprint and include scope 1, 2 and selected scope 3 categories in the GHG Protocol.
Selected carbon emission reduction targets	Lending: 25-55% reduction across 9 sector targets by 2030 Asset management: 50% reduction of the weighted average CO ₂ e intensity by 2030 Life Insurance & Pension: 15-69% reduction across 6 sectors by 2025 and 2030	80% reduction by 2030 in scope 1 and 2 60% reduction by 2030 in scope 1, 2 and 3
Selected actions and approaches to reduce emissions	<ul style="list-style-type: none"> Engage with customers to provide advisory services and financing that support decarbonisation in line with Paris Agreement goals Engage with investee companies to guide and encourage decarbonisation of their business activities Restrict financial flows to carbon-intensive companies, for example by limiting credit-risk exposures and investments Increase energy efficiency at our premises Switch to renewable and low-carbon energy supply Travel restrictions and low-carbon business travel Offset unavoidable emissions 	

* Further details are available in our Risk Management 2023 report and in our Task Force on Climate-related Financial Disclosures statement, which is available as a cross-reference index in our Sustainability Fact Book 2023.

** As methodologies, data availability and industry standards evolve, the Group's financed emissions setup is subject to continual improvements. To ensure comparability, and when technically possible, such changes will prompt a recalculation of previous years' financed emissions. It will be stated clearly when and if such recalculations of historical figures have been implemented.

*** Further details are available in our Climate Action Plan Progress Report 2023.

Updated position statement on fossil fuels

In March 2023, we updated Danske Bank's Position Statement on Fossil Fuels. To support the decarbonisation of our economies and protect sensitive environments, we consider it necessary to have strict guidelines covering coal, peat, and oil and gas. Specifically, in our updated position statement, we chose to apply stricter phase-out criteria, setting 2030 as the target year for the complete phase-out of coal and peat power generation companies from our financial product portfolios. The limited number of exemptions from the above are detailed in the position statement. We will also refrain from investing in or providing financial services to companies and projects expanding thermal coal mining, coal-fired power generation or peat-fired power generation.

Danske Bank also recognises that companies expanding their oil and gas production capacity are not aligning towards credible no- or low-overshoot net-zero transition scenarios and will likely be exposed to large transition risks. As such, Danske Bank will not provide refinancing and new long-term financing for oil and gas exploration and production companies that are expanding such activities into new oil and gas fields.

Meeting our 2023 target for our own operations

In 2023, our emissions from own operation amounted to 9,292 tonnes (2022: 8,362 tonnes), and with a 46% (2022: 52%) reduction from 2019 levels, we exceeded our 2023 target of reducing carbon emissions by 40%.

Within our own operations, the categories with the highest emission in 2023 included business-related air and road travel and purchased heat and electricity for running our premises. Air travel increased 56% from the 2022 level of 2,345 tonnes of carbon emissions, with travel patterns finding a new level after the COVID-19 pandemic. Consequently, we are strengthening our actions towards less carbon-intense business travel. In our endeavour to minimise the environmental footprint from our own operations, we also focus on continuously reducing our consumption of resources, minimising food waste and improving waste data management*.

Since 2009, Danske Bank has offset annually reported carbon emissions from those of our own operations that cannot yet be eliminated, and we continued to do this in 2023.

Nature and biodiversity

Another key environmental impact area for the Group closely interlinked with the climate change agenda is the accelerating loss of biodiversity and degradation of ecosystems. This poses significant risks to the global economy, to our business and to the societies we are part of.

Our endeavour to contribute to the protection of nature and ecosystems is guided by our commitments to the Finance for Biodiversity Pledge and the Partnership for Biodiversity Accounting Financials, both of which we joined in 2022. Through these, we commit to measuring and setting biodiversity targets for our corporate lending and investment portfolio, and we have assessed the drivers and sectors that have the highest potential negative impact on nature and biodiversity in our portfolios. On this basis, we introduced targets in September 2023 for our engagement with customers and investee companies in prioritised high-risk sectors. In view of our active ownership activities, Danske Bank also joined the Nature Action 100 global investor engagement initiative in 2023.

Engagement targets and high-risk sectors

Lending portfolio

The three sectors in our lending portfolio with the highest potential negative impact on nature and biodiversity are the agriculture sector, including food products and fisheries; the forestry, pulp and paper sector; and the shipping sector.

By the end of 2024, we aim to have engaged with 300+ business customers in the agriculture sector and 50+ large corporates across all three sectors about specific nature and biodiversity indicators relevant for their industry.

Investment portfolio

The energy, food and transportation sectors are the three sectors in our investment portfolio that potentially have a high negative impact on nature and biodiversity through the operations of the investee companies.

By the end of 2025, Danske Bank and Danica Pension aim to have engaged with 30 large, global investee companies in these sectors based on considerations such as their potential to impact key drivers of biodiversity loss, degree of dependency on natural resources, location of operations, and our share of investments in the companies.

* Further details are available in our Sustainability Fact Book 2023, available at danskebank.com/sustainability

Social

Human rights

At Danske Bank, we are committed to meeting our responsibility to respect fundamental human rights and to ensure decent working conditions within our business activities – including in our own operations, our lending and investment activities and our supply chain.

In May 2023, we published our updated Position Statement on Human Rights to clarify our commitment to respect human rights and to implement human rights due diligence in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, which entails taking relevant international human rights-related standards into account. To increase the transparency of our approach and efforts, we also in May 2023 published our first Human Rights Report. This report describes our processes for identifying, mitigating, and managing risks of adverse impacts on human rights, including decent working conditions, and it provides insights on specific human rights risks in focus in our own operations and parts of our value chain. These disclosures support alignment with the Norwegian Transparency Act and the minimum safeguards of the EU Taxonomy. In addition, Danske Bank also issues its Statement on Modern Slavery Act on annual basis.

We work continuously to improve our human rights due diligence processes. By year-end 2023, we had implemented a dedicated human rights module in our ESG risk assessment, which applies to all new and existing corporate customers across our markets and business areas that apply for credit facilities or have credit exposure in excess of DKK 7 million. The module enables our advisers to identify areas where the customer in question is at risk of adverse impacts on human rights. The results are part of our overall credit risk assessment of the customer. For our investment activities, we conducted enhanced sustainability screenings of companies potentially involved in significant human rights-related controversies. By year-end 2023, a total of 26 companies (2022: 14 companies) had been excluded across all investment strategies due to risks related to forced labour.

Individual stakeholders, communities and societies that are or could potentially be affected negatively through our business activities are able to raise human rights concerns or grievances through Danske Bank's whistleblowing scheme, see page 23.

Employee well-being

At Danske Bank, we are committed to maintaining a sustainable work environment with responsible employment practices. As stated in our Code of Conduct Policy, all employees must act with integrity and treat each other fairly and respectfully at all times, and any case of harassment, discrimination or improper use of authority is not tolerated. To ensure a vibrant workplace that fosters a sense of belonging and inclusion for our 20,021 employees (2022: 21,022 employees), we have expanded our traditional focus on physical and mental health into a holistic focus on well-being under the concept of 'total well-being'. Our

total well-being initiative encompasses five well-being-related themes: mental, social, physical, purposeful and intellectual.

The prevention of work-related stress is an important focus area within our total well-being agenda. In 2023, we introduced a new, easy-to-use toolkit via webinars for leaders and employees to support ongoing dialogues on how to sustain a good mental balance and deal with symptoms of stress.

Throughout 2023, various support functions and teams invested in strengthening psychological safety to support validated, respected and open interaction, thereby creating a culture that encourages collaboration and innovation.

A learning organisation

To enable opportunities for our employees to continually grow and develop, Danske Bank seeks to make learning accessible to everyone as part of their day-to-day work. In 2023, we implemented a new learning module on our HR Platform. The module provides a single point of entry for all learning activities across the organisation.

In 2023, we also expanded our programmes on purposeful and responsive leadership across the organisation, and we integrated our leadership and cultural practices into the activation of our new Forward '28 corporate strategy.

Corporate volunteering

Danske Bank's corporate volunteering programme, Time2Give, gives employees the opportunity to spend three paid workdays per year participating in voluntary work. Employees can choose the cause they wish to support, or they can in some countries sign up for an event organised by a local organisation in partnership with Danske Bank. In 2023, a total of 4,459 employees (2022: 3,346 employees) across the Group donated more than 36,400 hours (2022: more than 29,900 hours), representing a value of approximately DKK 7.1 million (2022: approximately DKK 5.4 million).

Employee engagement score

Over the past few years, we have been working on improving our engagement levels in a structured way and have seen solid progress in many key areas. However, with a 2023 employee engagement score of 75% (2022: 76%) in our Culture and Engagement Survey, we fell short of achieving our 2023 target of 77%. Nevertheless, we saw a record-high response rate of 95% (2022: 92%) in 2023, which reflects employees' willingness to share their opinions and actively contribute to making Danske Bank an even more attractive place to work. Employee engagement is essential for our ability to perform as a business, and we will continue to monitor the development, learn from the feedback and improve together.

Diversity and inclusion

Attaining a fully diverse workforce and an inclusive culture remains a key ambition and priority across Danske Bank because it will support equal opportunities for our employees and create value for Danske Bank as a workplace and a business.

To drive the diversity and inclusion (D&I) agenda and demonstrate ownership in leadership and the business, we are developing an ecosystem that is contributed to in many ways – across the organisation through our D&I impact leads and communities, from the bottom up by teaming up with our employee networks, and from the top down by increased involvement of the members of the D&I Council. We promote connectivity and learning through initiatives and global events, which provides a forum for and helps to leverage the diversity of perspectives. Our work with LGBTQ+ inclusion is assessed annually in Stonewall's global benchmarking report, which in 2023 highlighted progression in all seven categories and awarded us with a total of 83 points out of 200 (2022: 51 points). Danske Bank thereby improved on the bronze employer award it received from Stonewall in 2022 by achieving a silver award in 2023. Stonewall commended Danske Bank's ongoing leadership commitment and talent development in the area of LGBTQ+ inclusion.

Towards gender equality

In 2023, we reviewed and updated our D&I Policy to emphasise our commitment to grow diversity and build and foster an inclusive culture within Danske Bank and to ensure we adhere to the continually changing regulatory environment. Steady improvement was achieved with respect to our 2023 targets on gender balance, although these were not fully met at all levels. Our updated D&I Policy introduces new targets to be met by 2028, as shown in the table.

To ensure ongoing progress towards meeting our targets, our focus remains on developing inclusive and gender-balanced HR processes. We do this by implementing tools that seek to address and reduce the negative effects of biases. For example, we scan our recruitment ads to ensure inclusive language, drive ownership of gender balances via D&I Dashboards, and in 2023 we implemented further transparency in, for example, performance calibration dashboards. This gained Danske Bank recognition in Bloomberg's Gender Equality Index 2023, a global benchmark for investors.

The women/men gender balance of members elected to our Board of Directors (BoD) at the Annual General Meeting decreased from 44/56 in 2022 to 38/62 in 2023 due to one woman member stepping down. Nevertheless, we achieved our 2023 target for the BoD, and with the inclusion of the four employee-elected members of the BoD we are at full equality at 50/50. Our Executive Leadership Team increased in size from eight to nine members, resulting in a slight decrease in the gender balance from 25/75 in 2022 to 22/78 in 2023. The share of women among our level 2 and level 3 leaders* in 2023 was 31% and 36% respectively. Among senior leaders, the share of women remained at 34% in 2023, so we did not reach our 2023 target in this area. However, for all leaders in general, the share of women increased from 39% to 41% in 2023, thereby meeting our 2023 target. The overall gender balance in our workforce is 51/49.

Our median gender pay gap decreased from 24% in 2022 to 21% in 2023. This development was mainly driven by a continued focus on growing awareness around the impact of biases in salary review and performance assessments combined with increased levels of ownership in the individual countries we operate in.

Gender balance

Leadership levels	Targets		Performance					
	2028	2023	2023		2022	2021	2020	2019
	%W/M	%W/M	%W/M	Number	%W/M	%W/M	%W/M	%W/M
Board of Directors	40/60	38/62	38/62	8	44/56	43/57	33/67	25/75
Executive Leadership Team	40/60	25/75	22/78	9	25/75	13/87	13/87	11/89
Level 2 leaders	40/60	35/65	31/69	13	N/A	N/A	N/A	N/A
Level 3 leaders	40/60	35/65	36/64	89	N/A	N/A	N/A	N/A
Senior leaders	40/60	35/65	34/66	803	34/66	32/68	28/72	23/77
Leaders in general	45/55	40/60	41/59	2,659	39/61	38/62	37/63	37/63

* See reporting principles on page 65 for definition of leadership levels. The total of 'Level 2 leaders' and 'Level 3 leaders' classifications is equivalent to the statutory definition 'other management levels' ('øvrige ledelsesniveauer'). For Danske Bank A/S [excluding subsidiaries], the total number of leaders in 'other management levels' is 90, with a women/men gender split of 31/69%. New five-year targets were first set in autumn 2023 and have therefore not yet been achieved.

Financial confidence

Helping people across the markets we operate in to achieve greater financial confidence has been a strategic focus area, and it will continue as a societal agenda as part of Danske Bank's stakeholder engagement.

To positively influence the money habits that children develop as they grow up, we engage in partnerships in Denmark and Northern Ireland to develop school programmes and contribute with learning materials and guest lectures on the topic of sound money habits.

Children, young people and parents supported with financial literacy tools and expertise



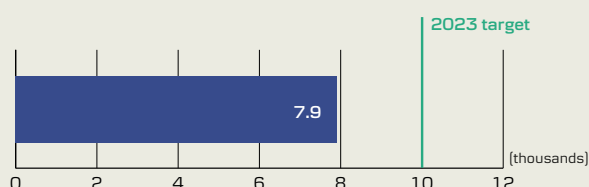
Since 2018, we have supported 2,416,715 (2022: 2,079,479), children, young people and parents with financial literacy tools and expertise, thereby substantially exceeding our target of supporting 2 million individuals by the end of 2023. With more than 3 million plays in the past two years, Danske Bank's free digital learning tool, Moneyville, has contributed significantly to the achievement of our target.

Entrepreneurship

Helping growth companies across our business and market areas to develop into viable businesses and increase their positive societal impact was a strategic focus area. We will continue with this work through our centre of excellence, Danske Bank Growth, which as well as serving tech and health tech companies also focuses on green growth companies.

We also focus on contributing to creating equal access to investments and opportunities for male and female growth-company founders.

Start-ups and scale-ups supported with growth and impact tools



Since 2016, we have supported 7,909 (2022: 7,231) start-ups and scale-ups with growth and impact tools, services and expertise. However, we have not reached our 2023 target of supporting 10,000 start-ups in total. This can be primarily attributed to the COVID-19 pandemic and the sale of the Hub - a job portal specifically tailored to start-ups and which was the main driver of supporting the broad ecosystem of start-ups.



Governance

Compliance culture

The Group operates in a highly regulated environment. Consequently, compliance is a core part of how we do business and is critical for maintaining trust and protecting the interests of our stakeholders. Our Code of Conduct Policy reflects our steadfast commitment to ethical conduct, sound business culture and the management and mitigation of risks relevant to our business.

During 2023, we enhanced our compliance communication to employees and updated our internal Do Right employee-conduct site. We focused on cultivating a sound business culture through strong leadership commitment, role modelling and the co-creation of a leadership vision. These initiatives aim to build self-awareness and purpose-driven, high-performing leadership across the organisation and are promoted through extensive training programmes.

We encourage employees to speak up about suspected wrongdoing, and our escalation procedures and processes are designed to help employees recognise potentially significant issues and take immediate and appropriate action. When regular channels of communication and escalation are unavailable or seem inappropriate, employees can submit their concerns anonymously without fear of retaliation through the Group's whistleblowing scheme. All reports are handled in complete confidence by a dedicated team of whistleblowing specialists, and they are addressed and investigated in confidence by specialist teams, as appropriate. External stakeholders can also raise their concerns via the whistleblowing scheme.

Risk and compliance training

The Group's mandatory eLearning training provides essential knowledge to empower employees to do the right thing for customers, employees and society. All employees must complete annual courses on a range of risk and compliance topics related to our policies, processes, and applicable regulation.

In 2023, a total of 97% of employees completed and passed risk and compliance training on time (2022: 97%), against our annual target of over 95%.

Financial crime prevention

Criminal misuse of the financial system has a detrimental impact on society and is responsible for some of the most serious crimes – from terrorism to human trafficking. The threat landscape is constantly changing as new trends emerge to exploit the financial system, and sanctions requirements are expanding.

The Group is committed to fighting financial crime, and our work to stop the flow of money from unlawful activities is unrelenting. We are continuing to enhance our financial crime framework to ensure we have the right people and controls in place*.

Anti-bribery and corruption

The Group's Financial Crime Policy sets out the principles for managing all financial crime risks, including bribery and corruption, on which the Group has a zero-tolerance stance. The principles are elaborated upon in our Anti-bribery and Corruption Instruction, which provides employees with detailed guidance on identifying, preventing, and managing detected or suspected attempts or incidents of bribery and corruption. The policy is further supported by our Conflicts of Interest Instruction and by our Gifts and Hospitality Instruction, which sets strict standards for the ethical provision and acceptance of gifts, entertainment and any other benefits or items of value. Together, the policy and instructions are set to ensure that we remain compliant with relevant bribery and corruption legislation for the regions the Group operates in. Furthermore, we in 2023 conducted a Group-wide risk assessment that provided insight into the bribery and corruption risks across all business units. The Group will continue to remediate and strengthen key controls related to bribery and corruption.

Sustainable supply chain

In 2023, Danske Bank had a diverse supplier portfolio of around 2,000 suppliers of operational services with active contracts, which is on par with 2022. To manage this portfolio, comply with relevant legislation and support our suppliers' sustainability efforts, we have implemented a sustainable supply chain process which enables us to assess our suppliers' sustainability status and increase transparency in our supply chain.

Our sustainable supply chain process is built on three pillars. Firstly, all our suppliers must agree to comply with environmental, social, and ethical standards defined in Danske Bank's Supplier Code of Conduct, which is part of Danske Bank's Procurement Policy. This code is based on international sustainability principles, including the UN Global Compact and the UN Guiding Principles on Business and Human Rights. Suppliers are also responsible for upholding similar sustainability standards in their own supply chains.

Secondly, environmental requirements have been defined for selected sourcing categories such as office services and supplies, conference venues, furniture and textiles, IT equipment, and merchandise.

Thirdly, we invite suppliers that have an active contract to assess their sustainability governance on a third-party platform called Integrity Next. On the basis of the assessment results, we are developing customised engagement strategies for suppliers. Our aim is to have all our suppliers through the ESG assessment process and to support our suppliers in improving their sustainability performance. If a supplier does not comply with our sustainability requirements, we engage in a constructive dialogue with the supplier. We follow up with the supplier as part of our annual performance reviews, and each year we also conduct independent third-party supplier audits. Suppliers are selected for audit on the basis of their ESG profile and their importance for our business. In 2023, we selected five suppliers (2022: four suppliers) for audit. None of the audits revealed any severe cases of non-compliance.

* Further details on our Financial Crime Plan are available in the section Financial Review on page 31.

EU Taxonomy reporting

The Danske Bank Group integrates the EU Taxonomy Regulation in relation to the Group's sustainable financial product and investment offerings. In Danske Bank's Green Finance Framework, the EU's criteria for sustainable economic activities are included as part of the classification of green lending. The green loan categories in the framework are therefore broadly aligned with the technical screening criteria as defined in the EU Taxonomy Regulation. The framework also includes green loan categories that are either not yet covered by or diverge from the EU Taxonomy.

Within asset management there is a dependency towards investee company reporting against the technical screening criteria defined in the EU Taxonomy Regulation. As companies' transparency against the EU Taxonomy will increase, it will

enable realistic and relevant target setting against the Taxonomy for our investments, resulting in further integration into processes and strategies.

Furthermore, Danske Bank continues to integrate ESG data into the bank's systems and solutions to enable Danske Bank to comply with sustainable finance statutory reporting obligations and support the integration of ESG data into business-related processes throughout the bank. The adoption of the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) will support the further implementation of the EU Taxonomy Regulation into our business strategy, IT systems, and investment and lending processes.

Green asset ratio (GAR) (DKK billions)	Taxonomy-aligned exposures based on turnover	Green asset ratio based on turnover (%)	Taxonomy-aligned exposures based on CAPEX	Green asset ratio based on CAPEX (%)
GAR for financial undertakings (total of climate mitigation and climate adaptation)	0	0	0	0
GAR for non-financial undertakings (total of climate mitigation and climate adaptation)	3.6	0.15	5.9	0.25
GAR for residential real estate exposures (climate change mitigation)	25.5	1.09	25.5	1.09
GAR for retail car loans (climate change mitigation)	0	0	0	0
GAR for loans to local governments for house financing and other specialised lending	0	0	0	0
Total	29.1	1.24	31.4	1.34
Coverage ratio	0.88		0.95	
Total covered assets (DKK billions)	2,346			
Total assets (DKK billions)	3,299			
Consolidated Group-level KPI turnover (%)	1.35			
Consolidated Group-level KPI CAPEX (%)	1.43			

The above metrics are unaudited and have been prepared to the best of our ability. Please refer to the appendix on pages 253-287, which includes the Danske Bank Group's Taxonomy reporting. Danica Pension's Taxonomy reporting is available on danicapension.dk/årsrapporter.

For the first time, the Danske Bank Group is reporting on Taxonomy KPIs and green asset ratios. Reporting is based on input from non-financial counterparties, and includes input on turnover from Taxonomy KPIs and CAPEX. As at reporting date, financial counterparties had not reported their Taxonomy KPIs. Taxonomy-eligible and non-eligible activities related to the additional four EU environmental objectives are not reported for the financial year 2023 due to lack of data.

The Danske Bank Group's total green asset ratio based on turnover amounted to 1.24% of total covered assets, and total green asset ratio based on CAPEX amounted to 1.34% of total covered assets as at year-end 2023. The total green asset ratios cover the two climate-related EU environmental objectives.

Taxonomy-aligned activities relate to lending to households collateralised by residential property and lending to

undertakings subject to the Non-Financial Reporting Directive (NFRD). The Taxonomy KPIs do not include lending activities with small and medium-sized enterprises.

Gross carrying amount of total covered assets amounted to DKK 2,346 billion as at year-end 2023 against DKK 2,345 billion in 2022.

Consolidated Group-level KPIs for the Danske Bank Group including Danica Pension amounted to 1.35% and 1.43% for turnover and CAPEX respectively.

The Danske Bank Group has limited exposures to customers that have economic activities related to the production of electricity or heating using nuclear installations or using gaseous fossil fuels in combined heating/cooling and power generation facilities. The Taxonomy-aligned activities amounted to DKK 0.8 billion at year-end 2023.