

A photograph of a busy city street at sunset. The scene is filled with diverse pedestrians crossing a zebra crossing. The sun is low in the sky, creating a warm, golden glow and long shadows. In the background, there are multi-story buildings with classical architectural features, including domes and arched windows. The overall atmosphere is one of a vibrant, multicultural urban environment.

Human Rights Report

31 May 2023

WE SUPPORT

About this report

Our Human Rights Report covers the activities of the Danske Bank Group (Danske Bank) for the financial period 1 January 2022 to 31 December 2022 and covers activities of the entire Group, which encompasses Danske Bank A/S and all subsidiaries, including our Norwegian branch. The report represents our duty to account for our human rights due diligence in accordance with section 5 of the Norwegian Transparency Act. The Norwegian Transparency Act¹ and the reporting requirements stipulated herein apply to the Danske Bank Group as a larger foreign enterprise offering services in Norway through our Norwegian branch and with tax liability to Norway. The report is available in Norwegian at danskebank.com/no/samfunnsansvar and in English at danskebank.com/sustainability.

Pursuant to section 5 of the Transparency Act, the report will be updated annually no later than 30 June each year or in the event of significant changes to Danske Bank's human rights risk assessment.

Our Human Rights Report is part of our sustainability reporting 2022 together with our annual reporting, including our Sustainability Report 2022 and our Sustainability Fact Book.

¹ Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)

Our duty to inform

We are committed to providing transparent information regarding how we manage potential and actual adverse impacts on human rights in relation to our due diligence efforts in general and in relation to specific products or services that we provide. If you have any enquiries, please contact us at aapenhetsloven@danskebank.no

Get in touch

We welcome any comments, suggestions or questions you may have regarding our sustainability performance in general. Please contact us at sustainability@danskebank.com

Follow us

You can stay up to date on the most recent developments in our sustainability work at danskebank.com/sustainability, and you can follow Danske Bank on Twitter, LinkedIn and Instagram.



Contents

- 4 Message from our CEO**
Foreword by Carsten Egeriis
- 5 This report**
Contents of the report, requirements of the Norwegian Transparency Act
- 6 About Danske Bank**
Our core business activities, locations and organisation in brief
- 8 Our commitment**
Our commitment to respect fundamental human rights and decent working conditions
- 10 Human rights governance and executive oversight**
Roles and responsibilities in our organisation
- 12 Grievance mechanisms and remediation**
Our whistleblowing scheme in brief
- 13 Review of our human rights capacity**
Review of our capacity to conduct human rights due diligence
- 14 Human rights risks**
Brief description of Danske Bank's salient human rights issues
- 17 Identifying and managing our human rights risks**
Our human rights due diligence, including ESG risk assessments, screening tools and engagement efforts
- 28 Looking ahead**
Actions to strengthen our human rights due diligence framework





With this report, we are seeking to increase the level of transparency about our efforts to ensure respect for human rights and decent working conditions.



Dear reader,

Danske Bank is one of the largest Nordic financial institutions, and through our position, we strive to release the potential in people and businesses by using the power of finance to create sustainable progress today and for generations to come. Through the allocation of capital, banks can act as a catalyst for change, and at Danske Bank we are committed to playing a leading role in the transition to a sustainable world.

Supporting sustainable development also means not causing or contributing to any harm to people as we work to make a positive difference in the world. Banking is about people, and as Denmark's largest bank and one of the largest financial institutions in the Nordic countries, we have the responsibility and ability to make a difference - not only for our around 3.3 million customers, but also more broadly in the societies we are a part of and in societies we influence through our investments and lending activities.

We will make this difference by advising our customers about sustainability and

providing financing for projects that are socially, environmentally and commercially sustainable.

We recognise the need to ensure that no one is left behind in the green transition of our societies. In our efforts to reach our net-zero targets, we support a just transition - a transition which is fair and inclusive to everyone concerned, meaning that we wish to meet our climate goals while at the same time ensuring that the effect to the whole of society is considered.

We must act with care when we assess the corporate customers we provide credit and loans to and whose activities impact employees, communities, and consumers - not only in the local markets we operate in but also around the world through the value chains of our corporate customers. We must also consider the global human rights impacts of our investment activities. As an employer, we have an impact on our employees' lives, and we are responsible for ensuring that our employees are free from experiencing any form

of discrimination or harassment while at work. We also have a responsibility to understand and address our potential adverse impacts on human rights through our suppliers and in relation to the products and services we provide to personal customers.

Because we aim to progressively improve our human rights due diligence to avoid and address adverse impacts on human rights, our work is not static but is an ongoing, responsive, and adaptive process. With this Human Rights Report, we are seeking to increase the level of transparency about our efforts to ensure respect for human rights and decent working conditions in our value chain and in our own operations. It is our aim to provide a better understanding of what it means for us to view our activities from a human rights perspective.

Carsten Egeriis
Chief Executive Officer
Danske Bank

This report

This report provides a statutory overview of how we at Danske Bank work to mitigate and manage risks of adverse impacts on fundamental human rights, including decent working conditions. Our efforts to identify and manage our human rights risks are centralised within the Danske Bank Group, and the scope of this report covers the entire Group, including our Norwegian branch.

Pursuant to the Norwegian Transparency Act section 5, this report provides a general description of the structure and area of operations of Danske Bank, along with guidelines and procedures for handling any actual or potential adverse impacts on fundamental human rights and decent working conditions. Secondly, the report describes significant risks of adverse impacts that Danske Bank

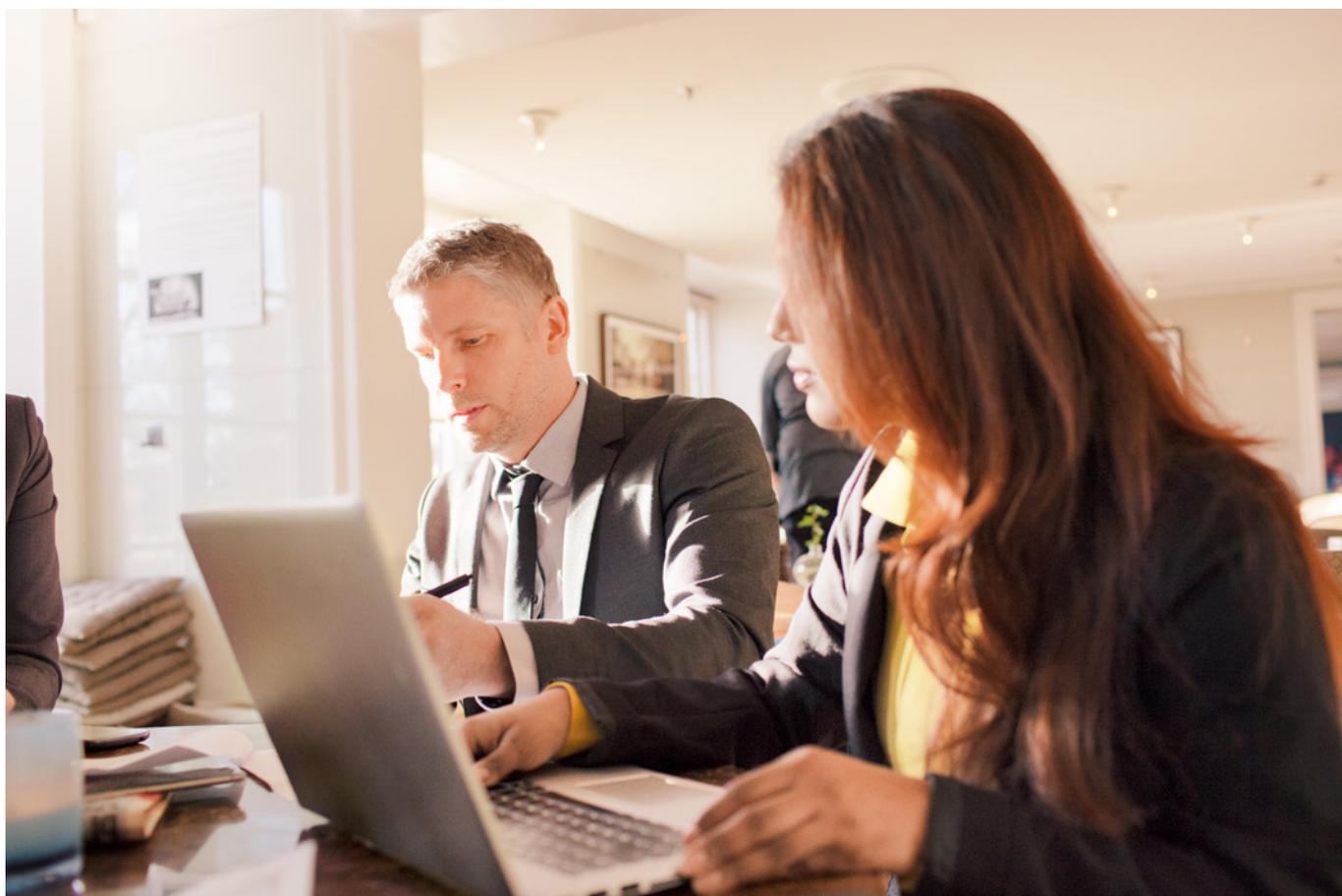
has identified through its due diligence processes. Moreover, the report outlines measures that Danske Bank has implemented and plans to implement in order to cease actual adverse impacts or mitigate significant risks of adverse impacts. Finally, the report provides information on the expected results of these measures and any actual results achieved to date.

In addition, our commitment to respecting human rights defines our approach to handling actual and potential adverse impacts on fundamental human rights and decent working conditions.

In this report we also describe the results of a high-level review of our capacity to conduct human rights due diligence, which has resulted in the

identification of key actions to close gaps in our human rights due diligence framework. Also described in this report are our salient human rights issues, and an account of the measures we have implemented and intend to implement to mitigate these risks. As we progress, we will disclose results of our actions.

Regarding our actual adverse impacts, the information in this report is limited. Moving forward, we will look into making an account of our actual adverse impacts in our own operations and through our business relationships. Based on our findings, we will assess the need for updating our due diligence procedures and guidelines to capture and address any actual human rights impacts which we might cause, contribute to, or be linked to.



About Danske Bank

For more than 150 years, Danske Bank has been a driver of growth and development in society, and today Danske Bank is among the largest financial institutions in the Nordic countries. In addition to banking

services, Danske Bank provides life insurance and pension products, mortgage finance, asset management, real estate agency services and leasing. Through our business model, position in the market and core business activities,

we aim to facilitate sustainable development and deliver long-term value for our customers, employees, shareholders and the societies we are part of.

We are present in ten countries around the world

We serve customers in eight countries: Denmark, Sweden, Norway, Finland, the UK (including Northern Ireland), Ireland, Poland and the USA.

■ Denmark, Sweden, Norway and Finland are our core markets



New York
Serving US institutional investors

Northern Ireland
Serving personal and business customers and large institutional customers

London
Serving Nordic business customers in the UK market

Ireland
Serving the largest business and institutional customers

Poland
Serving Nordic customers and subsidiaries of Nordic businesses in Poland

Lithuania
IT and operations development centre with more than 4,000 employees

India, Bangalore
Development centre with more than 1,500 IT professionals and global support functions



Danske Bank in numbers:

3.3 million+
personal and business customers

Deposits:
DKK 1,170 billion

Loans:
DKK 1,804 billion

2,000+
large corporate and institutional customers

Assets under Management:*
DKK 1,071 billion

Active suppliers:
2,000+

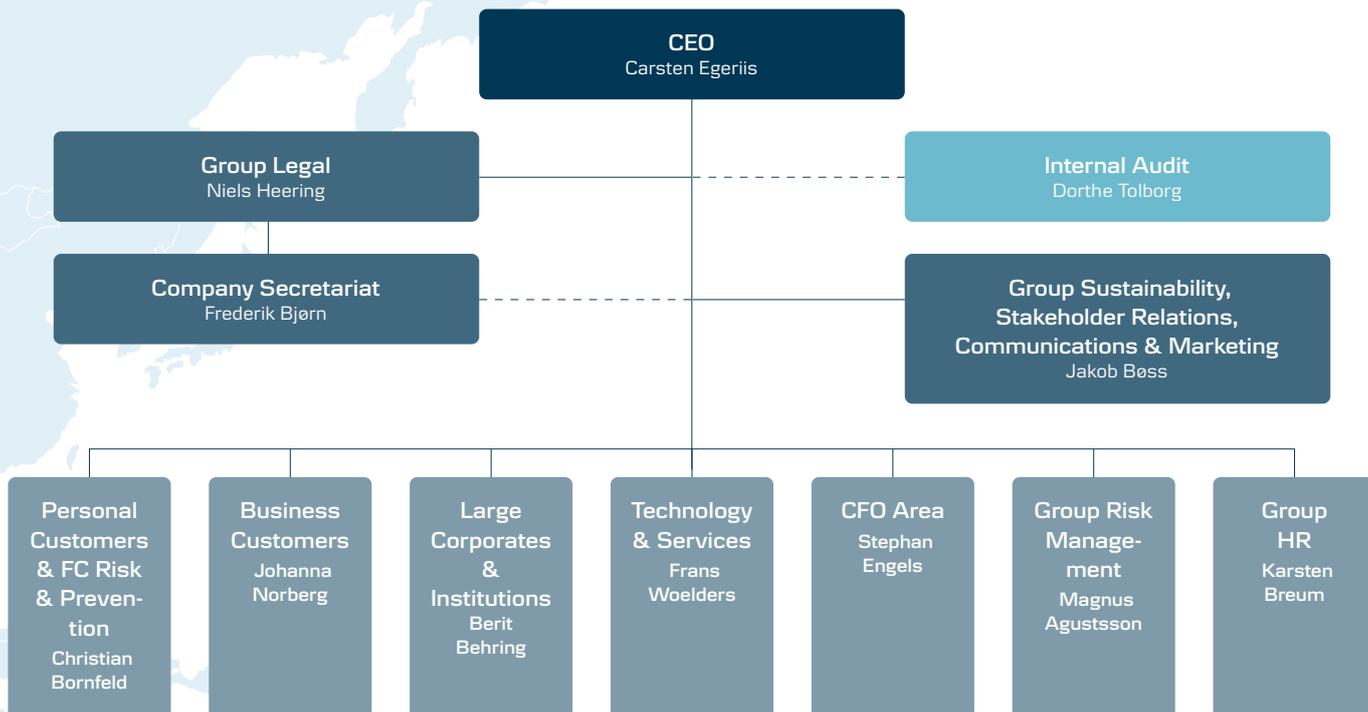
21,000+
employees in 10 countries

** Includes Danske Invest Asset Management and Danica Asset Management*

All figures are per end of 2022.



Danske Bank's organisation



Our commitment

At Danske Bank, we are committed to meeting our responsibility to respect fundamental human rights and ensuring decent working conditions² in our own operations and through our business relationships. We acknowledge that Danske Bank can cause, contribute or be linked to adverse human rights impacts in our own operations and through our business relationships, for example in the way our employees are treated or through our suppliers' adherence to labour rights. Within our lending and investment activities, we recognise that we can contribute or be linked to adverse human rights impacts caused by the businesses that we lend to or invest in.

Our commitment means that we continuously work to identify, prevent and mitigate our risks of adverse impacts on human rights, including all human rights as stated in:

- The International Bill of Human Rights, including the Universal Declaration on Human rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights
- The International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, including the ILO Minimum Age Convention and the ILO Worst Forms of Child Labour Convention
- In addition, our efforts are guided by a number of international standards and principles related to human rights, including:
 - UN Guiding Principles on Business & Human Rights
 - OECD Guidelines on Multinational Enterprises
 - UN Global Compact
 - The UN Principles for Responsible Investments
 - The UN Principles for Responsible Banking
 - The Equator Principles (2020)
 - United Nations Women's Empowerment Principles
 - International Labour Organisation Global Business and Disability Network Charter
 - Global Framework Agreement on Human Rights and Corporation with Unions
 - Free, Prior and Informed Consent (FPIC) as covered in the ILO Convention No 169 and the UN Convention on the Rights of Indigenous Peoples

We continually strive to improve our sustainable business practices, and we expect the companies we work with to do the same. We expect our suppliers, the companies in our investment portfolio, our customer portfolio, and our business relationships to also respect human rights and apply the UN Guiding Principles on Business and Human Rights, and other relevant international human rights standards. We use our leverage where possible, including to drive actions to cease any adverse human rights impact, if we become aware of such an impact.

We expect all employees to protect and respect human rights and to act in accordance with our Code of Conduct Policy and our sustainability-related policies, instructions and guidelines. Danske Bank's Human Rights Position Statement specifically addresses our commitment to and ambitions concerning our efforts to enhance the human rights agenda within our own operations and through our business relationships.

² Throughout this report, all references to human rights cover fundamental human rights and labour rights, including decent working conditions.







Human rights governance and executive oversight

At Danske Bank, governance of sustainability, including human rights risks, is anchored at the level of the Board of Directors (BoD) and the Executive Leadership Team (ELT). Additionally, we embed human rights responsibilities and build our competencies throughout the organisation in order to further advance the integration of sustainability across our business.

Business Integrity Committee

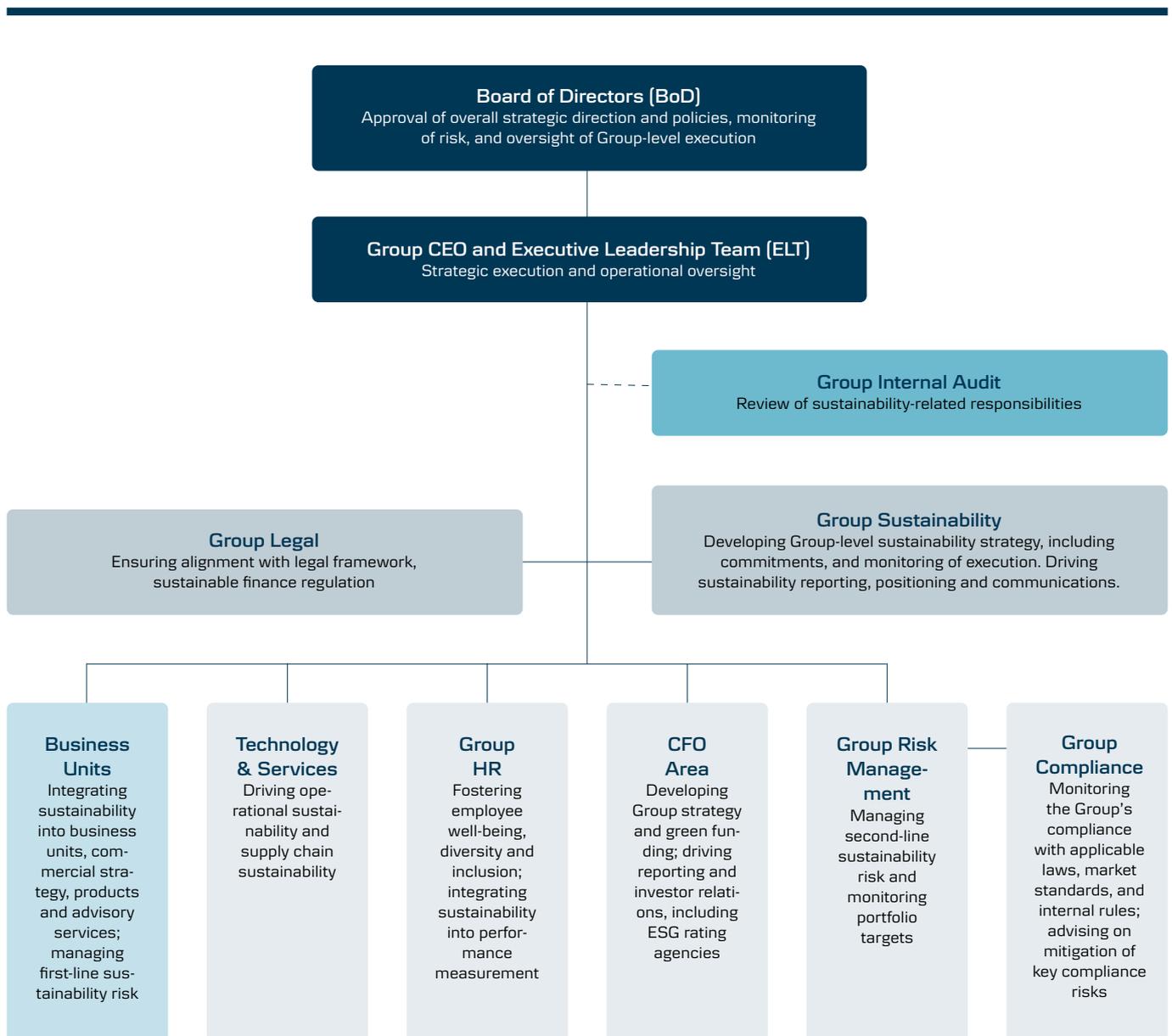
We also have committees and councils governing sustainability, where the ELT's

Business Integrity Committee (BIC) chaired by our CEO is the overall governing body. The BIC has a mandate to endorse Danske Bank's strategic direction, ambition level and related policies while also developing and overseeing the implementation of the Sustainability Strategy.

Two subcommittees refer to the BIC: one on responsible investment and one on sustainable finance-related regulation. We also have councils on sustainable finance and diversity and inclusion that advise the BIC on the overall

strategic direction and review business unit roadmaps within these areas.

In addition to the BIC, executive committees such as our Group Credit Committee and Group All Risk Committee increasingly address sustainability-related risks, including risks related to human rights, when they decide on credit cases and set the risk appetite. The work of the committees informs the ELT's sustainability discussions with the BoD.



This figure outlines how sustainability is governed in Danske Bank. Governance of sustainability, including human rights risks, is anchored at the level of the Board of Directors (BoD) and the Executive Leadership Team (ELT). We further embed responsibilities throughout the organisation. Risk, Compliance and Audit functions are independent functions with direct reference to the BoD.

Danske Bank's position statement, policies and instructions relevant for human rights governance



- Position Statement on Human Rights
- Sustainable Finance Policy
- Responsible Investment Policy
- Exclusion Instruction
- Principal Adverse Impact Statement
- Procurement Policy
- Supplier Code of Conduct
- Code of Conduct Policy
- Diversity and Inclusion Policy
- Global Transgender Instruction
- Whistleblowing Policy
- Credit Policy*
- ESG Credit Risk Assessment Instruction*
- Treating Customers Fairly Policy*
- Conduct Risk Policy*
- Conduct Risk Instruction*
- Compensation and Benefits Policy, India*

* Internal document



Grievance mechanisms and remediation

At Danske Bank, we are committed to conducting business with integrity and doing the right thing for our customers, colleagues and society. This commitment embraces the obligation to respect and defend fundamental human rights across all our operations. We encourage any employees who may have concerns of any kind to share them, either through conventional business escalations or, if the concerns are particularly sensitive or difficult, to raise them with line managers, trusted senior colleagues or Specialist Teams. If an employee wishes to report in strict confidence, or even anonymously, the Group has a dedicated Whistleblowing Operations team to help address their concerns. The whistleblowing scheme is also available to those wishing to report from outside the Group.

Our Whistleblowing Policy sets out the principles and standards for the management of whistleblowers and whistleblowing reports.

With this, potentially affected and actually affected individual stakeholders, communities and societies are able to raise concerns or grievances with complete confidence that the Group will assess each report and take the appropriate action.

As we progress in our efforts to ensure respect for human rights through the implementation of due diligence activities and controls, we will implement a specific human rights perspective in our grievance and remediation measures, and we will communicate this to all internal and

external stakeholders. Additionally, we will design and offer training to help all employees understand their responsibilities.



Review of our human rights capacity

In 2022, we conducted a review of Danske Bank's existing capacity to conduct human rights due diligence. The review was conducted through a governance review of existing policies, processes and tools to identify, prevent, and mitigate any actual or potential adverse impacts on human rights across our business activities. On an overall level, the review resulted in the following overall recommendations:

- Formally allocate responsibility and resources for human rights
- Design a companywide human rights due diligence process and monitoring structure
- Communicate transparently about human rights commitments
- Have an effective grievance and remedy system in place

These recommendations confirmed that we needed to allocate more resources and build expert knowledge within human rights across the Group in order to ambitiously improve our human rights due diligence framework, our communication and reporting. To that purpose we onboarded human rights expertise in our group functions and business units.

The human rights due diligence review is a step towards further alignment with human rights due diligence requirements stipulated in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Since conducting the review, we have formalised an implementation plan, allocated more resources and started to build capacity throughout the Group. We are currently in the process of implementing Group-wide human rights due diligence processes and monitoring structure, as was advised following the review.

This is an ongoing process, and our ambition is to always seek opportunities for improvement, both short term and long term. In the near future, we will focus on

Strengthening our sustainability organisation

A new legal team was established in 2022 to provide expertise and specialised legal advice and guidance across Danske Bank on interpretation of applicable sustainable finance regulation. The team collaborates closely with the Sustainability Compliance team, which was established in 2021 and provides dedicated regulatory compliance support across Danske Bank to support Danske Bank's sustainability strategy and the fulfilment of regulatory obligations within the sustainability area, including human rights.

advancing our due diligence framework, and we will look further into:

- implementing a dedicated human rights module as part of our risk screening of corporate customers,
- creating specific guidelines or tools on human rights for our procurement officers,
- ensuring that effective human rights grievance mechanisms and remediation measures are in place, and

- building human rights capacity throughout Danske Bank.

The review highlighted the need for us to communicate more transparently about our human rights efforts. With our Human Rights Report, we are seeking to increase the level of transparency about our human rights due diligence efforts. Our Human Rights Position Statement has been updated to adequately reflect our ambition to ensure respect for human rights in relation to all our business activities.





Human rights risks

We acknowledge that we may cause or contribute to adverse human rights impacts in our own operations and through our suppliers, and we recognise that we might either contribute to or be linked to adverse human rights impacts of the businesses that we invest in or lend to.

In order to prioritise our efforts, we in spring 2022 conducted a high-level assessment of Danske Bank's salient human rights issues. The assessment was conducted by internal and external experts. The assessment identified likely salient human rights issues within Danske Bank's business activities and business relationships.

A company's salient human rights issues are those human rights that stand out because they are at risk of the most severe negative impact as a result of the company's activities or through its business relationships. Our salient human rights issues vary based on our role as either investor, lender, procurer, employer or service provider.



Salient human rights issues in Danske Bank's value chain

Taking on the role as investor, lender and procurer, Danske Bank is faced with a number of salient human rights issues.



Working conditions

Employees of businesses in all sectors may experience poor employment conditions, low wages, long hours and compulsory overtime, unequal and unfair wages, failure to provide safety and security in the workplace, and restrictions of freedom of association and the right to collective bargaining. Minority groups are the most exposed to these risks.



Occupational health and safety

Employees of companies in specific sectors, for example extraction of raw materials, the transportation sector, and sectors where heavy machinery and chemicals are used in the production processes, such as agriculture, shipping, chemicals, utilities, and infrastructure, are especially at risk of severe injuries and health issues because of their work.



Child labour

Child labour includes the employment of children in a manner that is economically exploitative and is likely to be harmful to the child's health or social development.



Modern Slavery

Forced labour includes any work or service that an individual carries out under the threat of a penalty or where they have not voluntarily entered into an employment contract. Because of their vulnerability, migrant and immigrant workers are likely victims of forced labour.



Community health and safety

Local communities may experience adverse impacts because of a business not respecting the rights of individuals and communities that are located in close proximity to the business's operations, for example when pollution leads to damages to people's health through contamination of the food chain and water supply.



Indigenous peoples

Indigenous peoples face disproportionate human rights risks connected to land grabbing. Cultural heritage, a strong dependence on natural resources, the lack of governmental recognition of indigenous peoples rights (including the right to Free Prior and Informed Consent [FPIC]), and spiritual and religious meaning attributed to certain sites and natural resources makes this group particularly vulnerable.



Land and resettlement

Involuntary resettlement occurs when affected people do not have the right to refuse land acquisition and are displaced, which may result in widespread land disputes, social conflict, poverty and social insecurity.





Salient human rights issues in Danske Bank's own operations

Taking on the role as employer and service provider, Danske Bank is confronted with a number of salient human rights issues.



Discrimination and harassment

Being an employer, there is an inherent risk of unintentionally discriminating employees during hiring practices, promotions, wage setting, etc. Workplace harassment can take place in the form of bullying, sexual intimidation, or pressure to perform, and the effects can have a grave impact on victims' lives, physical, mental, and emotional health, and overall well-being. Discrimination and harassment can also occur in relation to the service we provide to our customers.



Collective bargaining and freedom of association

Employees should not be restricted from joining a trade union and entering into collective bargaining agreements in all countries in which we operate. Both freedom of association and the right to collective bargaining are enabling rights; the fulfilment of these rights will enhance good working conditions and the opportunity to earn a living wage.



Privacy

Danske Bank collects data on employees and customers and must manage and mitigate the risk of breaching privacy in the collection and management of personal data.

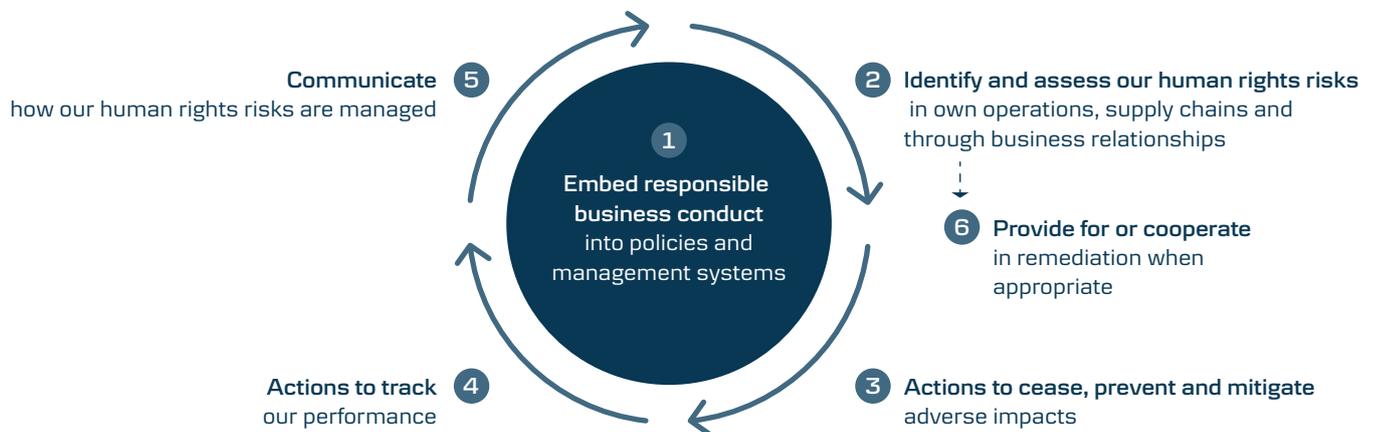
Identifying and managing our human rights risks

The following describes how we currently identify, prevent and mitigate human rights risks across our role as lender, investor, procurer, employer and service provider. Our human rights due diligence framework is based on

our existing frameworks for identifying and addressing sustainability risks in relation to both our own operations and our business relationships, including in relation to our credit approval of corporate customers, our investment

decisions, and our procurement decision. Our guidelines, screenings, and engagement efforts form part of our Environmental, Social and Governance (ESG) risk identification.

Due diligence process and supporting measures



Corporate lending

We provide credit³ to corporate customers of various sizes and from various sectors⁴ in the Nordic countries and Northern Ireland. The human rights risks related to our corporate customers are, however, not concentrated only in these markets but are also connected through the global supply chains of our customers.

Our customer relationship and engagement start with setting clear standards, expectations and restrictions. We value collaboration and engage in dialogue with our customers in order to encourage them to continuously improve.

Restrictions

Danske Bank's internal Credit Policy sets specific policy requirements (SPRs) to be met by the Group, including re-

strictions related to human rights risks. These identify specific activities of companies that we refrain from lending to and investing in. These include specific activities within arms and defence and activities related to land rights, acquisition and resettlement.

In some cases, we can leverage our position to drive change. Where Danske Bank and the customer can agree on an appropriate action plan to bring the customer in line with Danske Bank's credit policy, the customer's application may be approved despite initially not meeting the requirements of our ESG restrictions.

Assessing and managing human rights risks of corporate customers
Our Credit Policy and related instruc-

tions enforce the integration of sustainability considerations in our credit processes through an ESG risk assessment that applies to all new and existing corporate customers that apply for credit facilities or have credit exposure larger than DKK 7 million. The ESG assessment is carried out at a company level, and the results are part of our overall credit risk assessment of the customer.

To conduct the ESG assessments, our customer advisers and relationship managers use an internally developed tool,

³ Our credit process covers all types of lending activities - including loans, credits, financial guarantees, and project finance.

⁴ See our Annual Report 2022 p. 175 for an overview of our credit exposure by industry.

ESG Tracker. As part of the assessment, we screen for ongoing or recent controversies, including controversies related to fundamental human rights and decent working conditions. The screening uses data relevant for reputational risk with input from the data provider RepRisk, which draws information from multiple sources - including international and local print media, news website, NGOs, thinktanks and blogs - to identify reputational risk exposure to ESG issues.

Using data from SASB, Sustainalytics, period sector reviews and our human rights risks identification as input, we are also in the process of implementing a dedicated human rights module as part of the ESG assessment to ensure

an up-to-date assessment framework, through which customers are assessed in relation to their risk of adverse impacts on human rights across size, sector and region. We expect 15,000 customers to be in scope for this assessment. When implemented, we will assess the customers' ESG performance relating to governance and due diligence setup in larger companies, and we will screen for the identified salient human rights issues in the relevant sectors dependent on size and region.

The assessment tool will enable our advisers to identify where the customer in question is at risk of adverse impacts on human rights. In order to prioritise our efforts, the assessment is planned to

firstly focus on the identified salient human rights issues related to our lending activities, i.e. working conditions and occupational health and safety of employees; adverse impacts on the livelihood of local and indigenous communities, including a focus on land acquisition and involuntary resettlement; and any contribution to forced labour and child labour. If the ESG assessment of large companies reveals a high risk a further in-depth assessment of the company will be performed within Danske Bank, and a decision of a credit approval or disapproval will be made by the appropriate authority-level. Where necessary, the company will be included in our ESG Watchlist overseen by Danske Bank's Board of Directors.



Sector reviews

Our sector reviews help inform and improve our ESG assessment of our corporate customers. The reviews include an internal qualitative research of human rights risks related to sectors in our lending portfolio, including a media search of recent incidents of adverse impacts related to specific sectors. We also use data from recognised ESG data providers such as SASB and Sustainalytics to inform our review. As a result of our sector reviews, the ESG assessment questions are customised for the specific customer in question, whereby customers who are active in a specific sector are asked questions relating to the identified risks within that sector.



Arms and defence

We have restrictions and supplementary screening for customers that have activity within the arms and defence sector because we know that the risk of severe human rights impact is inherently high for companies in this sector due to the high level of risk to people's lives. In addition to conducting the standard ESG assessment, we conduct supplementary screening of customers that have activities within the arms and defence sector.

At a transaction level, a screening is carried out to ensure that transactions do not involve the export of arms to high-risk countries to support an existing armed conflict or to facilitate or expand human rights violations. Any transactions involving exports of dual-use items to high-risk countries may only be approved if the purpose is strictly civilian and if the customer has conducted an end-user due diligence review and received an export authorisation for their goods.

Using our leverage to manage human rights risks of corporate customers

Once we become aware of a potential or adverse impact on human rights, our ESG Credit Risk Assessment Instruction, which is governed by our Credit Policy, specifies that Danske Bank can engage with the customer to agree on an appropriate action plan to bring the customer in line with Danske Bank's policies. In this way, we use our leverage positively in a customer relationship via

dialogue and engagement that addresses specific results of the ESG assessments.

Continued engagement on human rights risks enables us to follow up on and support the customers' ability to transition away from the activities that may cause adverse impacts. Continued follow up on pertinent issues would also allow for

greater influence and support on the customers decisions and action.

However, our relationship with the customer will be reconsidered if we assess that the customer is responsible for significant adverse impact that goes against our principles or if we assess that the customer has no intention of implementing corrective actions.



Investments

Danske Bank's investment activities are spread across the world, and as a large investor we are mindful of the impact on society that our investments may cause. Danske Bank's Position Statement on Human Rights sets overall expectations for the companies and issuers we invest in. Namely that they adhere to international standards for responsible business conduct such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Our Responsible Investment Policy defines our approach to being a responsible investor and covers investment activities relating to assets managed by Danske Bank on behalf of customers. The policy is supplemented by underlying instructions that lay out our approach to exclusions, sustainability risks and active ownership. The Responsible Investment Policy is supplemented by additional commitments for investment products that we make available to our customers.

Our investment analysis and decisions take into account risks of adverse impacts on human rights. We conduct enhanced due diligence of companies alleged to be violating international norms, and while we prefer to be an active owner and to influence companies through dialogue, we also exclude companies from our investment portfolios.

Factoring in human rights in investments

In an investment context, we take human rights into consideration from two perspectives: the sustainability risk perspective and the sustainability impact perspective.

Sustainability risk in this context refers to the potential or likely material impact sustainability factors might have on the value on an investment. Analysing, identifying and mitigating the sustainability risks is an integral part of our investment processes. Sustainability risk factors in that respect cover human rights alongside environmental and governance issues, which under certain circumstances can become financially material and thus lead to financial risks for our investments.

From a sustainability impact perspective, our investment analysis and decisions strive to take into account investments' principal adverse impacts on sustainability factors, including human rights. Principal adverse impacts are negative, material or likely-to-be material effects on sustainability factors caused, compounded by or directly linked to our investment decisions. We assess specific sustainability factors of the companies we invest in as part of our due diligence. We consider the principal adverse impacts relating to human rights indicators outlined in our Princi-

pal Adverse Impact Statement, which includes monitoring and reporting on our share of investments in companies that do not have a human rights policy.

If an assessment reveals a negative performance on one or more principal adverse impact indicators, our managed fund portfolio managers will receive a warning to prompt further due diligence screening of the company in respect to the majority of strategies managed.



Reporting on Principal Adverse Impacts Indicators

Danske Bank A/S monitors and reports on 18 mandatory principal adverse impacts indicators and six voluntary indicators defined by the SFDR⁵. We will report on these impacts no later than 30 June 2023.

⁵ Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector.



Assessing and managing human rights risks in investment processes

For the purpose of performing due diligence, investment teams review financial and sustainability information from multiple data sources, including but not limited to company reports and third-party investment research. Tools, knowledge, research, education and subject-matter expertise are provided to the investment teams to support the due diligence processes.

Assessment and monitoring conducted by investment teams is, among other things, supplemented by our enhanced sustainability standards screening. The screening is a proprietary screening that enables incident-based reviews and supports exclusions of companies in our investment universe that are engaged in activities and conduct that is harmful

to society. The screening leverages research and data from multiple specialised ESG vendors, NGOs, the media, asset owners and our own sustainability analysts. We use several ESG data providers, which enables us to screen for controversial issues that could be potential violations of human rights, lawsuits or other issues.

Exclusions

All decisions related to exclusions are anchored within the investment organisation. On a quarterly basis, an analysis under the enhanced screening of individually selected company cases together with a recommendation on how to approach each individual case is presented to Danske Bank's ESG Integration Council. The recommendations are discussed and endorsed by the ESG Integration Council and approved by

the Responsible Investment Committee, prior to implementation.

Information on the companies that are currently excluded through enhanced screening and other excluded companies is available at [danske-bank-investment-restrictions.pdf](https://www.danskebank.com/danske-bank-investment-restrictions.pdf) [danskebank.com]. Information on definitions and criteria for exclusions is provided by the Exclusion Instruction.

Using our leverage through active ownership

When human rights issues are identified through our screenings and monitoring, we can also exercise our influence through single engagement, collaborative engagement and by voting at annual general meetings. Danske Bank's active ownership approach is based on the belief that exercising active ownership



CASE: Response to Russia's invasion of Ukraine in 2022

On 24 February 2022, Russian forces invaded neighbouring Ukraine severely affecting the people and societies of the region. The war has also had a massive political and economic impact on Ukraine, its neighbours, all of Europe and indeed the world.

As a financial institution and as a part of the global financial system, we have an important role to play in ensuring that sanctions posed on Russia are implemented in a timely and appropriate matter.

As a response to the Russian invasion of Ukraine, Danske Bank decided to exclude Russian sovereign bonds and securities of Russian State Owned Enterprises (SOEs), e.g. Gazprom, from our investment portfolios- and products, including Danske Invest funds. Danske Bank's efforts also included freezing assets on a scale never seen before.



CASE: Sexual abuse in the Australian mining sector

Western Australian mining companies are struggling with bullying, harassment and assault as documented by several reports including from the Government of Western Australia. The reports show that several companies in the Australian mining sector are facing serious issues of harassment, sexual abuse and even rape. We engaged with specific companies to find out how they will prevent this culture going forward. Through our dialogue with the companies we gained a more detailed understanding of the challenges and what the companies are doing to handle this. Most of the companies recognise that they have challenges but changing company culture does not happen over night.

In general, if companies do not acknowledge their sustainability challenges including human rights challenges and do not strive to solve the issues, it could lead to divestments. Active Ownership is also about understanding how the companies are working to improve when facing challenges, and using this information in our investment decisions. As an investor we can hopefully indirectly impact the companies in a positive direction when we reach out to them and let them know that it is important for us as investor that they take good care of their employees.

Through our active ownership activities, we are monitoring the progress made and expecting the companies to increase disclosures.



in certain situations can facilitate the resolution of challenging issues more effectively than the imposition of exclusions and/or divesting, which could limit Danske Bank's options for being a responsible investor that makes a positive impact through dialogue.

Active ownership is an important part of our ability to create long-term value for the companies we invest in and for our investors. In a situation where a sustain-

nability issue is present, we generally believe that it is more beneficial to voice our opinion, vote on material issues and address challenging ESG topics through engagement rather than to divest the company.

In 2022, a total of 28 % of our engagement activities were related to social issues⁶, with employee health and safety as the issue most often discussed with the companies.

To ensure a structured engagement process, we log and monitor company dialogue and progress. Our bi-annual Active Ownership Report documents our engagement and voting activities.



⁶ 37% of total engagement related to environmental issues and 36% to governance issues.



PRI Advance

In 2022, Danske Bank decided to join the UN PRI's Advance stewardship initiative as a collaborative investor.

"Advance is a stewardship initiative where institutional investors work together to take action on human rights and social issues. Investors use their collective influence with companies and other decision makers to drive positive outcomes for workers, communities and society."

PRI | Advance (unpri.org)

The initiative will target the metals and mining sector and the renewables sector, both of which have a high-risk profile according to the human rights risk and impact assessment conducted by Danske Bank. The metals and mining sector has growing importance for the green transition as demand for transition minerals increases, and the renewables sector has experienced rapid growth amid the global transition to clean energy. Our engagement in PRI Advance reinforces our focus on ensuring a just transition.



Procurement

Danske Bank is a procurer of goods and services. As a financial institution, the primary purchasing categories are IT appliances and services as well as indirect sourcing elements such as facility management, consultancy and marketing materials.

A dedicated Procurement & Premises sustainability team is responsible for the supply chain due diligence performance related to human rights. The framework for their task to foster social responsibility in Danske Bank's supply chain is based on our Supplier Code of Conduct, which defines our requirements for suppliers in terms of their responsible business conduct and our third-party ESG self-assessment of suppliers.

We have established an anonymous whistleblowing channel for identifying risks in the supply chain, encompassing all conduct risk, including those related to sustainability matters. Whistleblowing reports are handled with strict confidentiality in accordance with Danske Bank's Whistleblowing Policy.

Assessing and managing human rights risks of our suppliers

To identify and assess whether Danske Bank is exposed to potential or actual adverse human rights impacts in relation to our suppliers, we invite suppliers who have active contracts with

Our Supplier Code of Conduct

Danske Bank's requirements for suppliers in terms of their responsible business conduct and their responsibilities towards the communities where they operate are set out and defined in our Supplier Code of Conduct.

The code applies to Danske Bank suppliers that have active contracts. The code specifically addresses human rights issues related to working conditions, occupational health and safety, freedom of association, right to privacy, forced labour, child labour, and community health and safety. The code also upholds the right for Danske Bank to perform audits related to the sustainability profile and commitments of the supplier.

It is essential that our suppliers as a minimum comply with all applicable national laws and regulations and also meet the requirements set out in our Supplier Code of Conduct.

The code is built on internationally recognised guidelines that promote companies' management of adverse effects on human rights, including labour rights, environmental protection and anti-corruption practices, for example the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Danske Bank to conduct ESG self-assessments. In connection with this, we use a European provider, Integrity Next, as the independent third-party platform where suppliers can conduct their ESG self-assessment.

By applying input from market and social media research, sector reviews, and ESG-data, the platform ensures an up-to-date ESG risk assessment of our

suppliers. The platform also continuously adapts to the global regulatory landscape. The platform is offered free of charge to suppliers, and it provides them with the opportunity to share their ESG profile with other customers and partners - not Danske Bank exclusively. This platform helps us in our endeavour to increase transparency on sustainability matters.



High-risk suppliers from an ESG perspective

With approximately 2,000 suppliers with active contracts with Danske Bank, it is necessary for us to set priorities for our due diligence efforts. We prioritise suppliers on the basis of a risk assessment based on sourcing category, country risk, industry risk, volume and length of the contract, and business criticality.

Sector reviews assign specific sourcing categories with a higher risk than others. Facility management is an example of a high-risk category in which working conditions and occupational health and safety may be challenged.

Country risks also define risk level and may place suppliers from specific countries or regions in a higher risk category.

Suppliers with contracts that are deemed as outsourcing are automatically categorised as high-risk suppliers and are subject to thorough due diligence.

When an ESG self-assessment of a supplier in a low-risk sourcing category reveals that the severity and likelihood of a potential adverse impact on human rights is high, we also categorise this supplier as a high-risk supplier.



Our suppliers are invited to complete the self-assessment questionnaire, which includes questions relating to governance and due diligence setup in the company and sector-specific human rights risks. Suppliers are also asked questions related to the level of control in their own supply chain. Using the result of this assessment, we are able to assess whether the supplier in question is at risk of causing or contributing to adverse impacts on the identified salient human rights issues related to Danske Bank as a procurer: working condi-

tions, community health and safety, and whether the company is at risk of causing or contributing to forced labour and child labour.

In our current human rights due diligence processes related to our supply chain, we have prioritised our efforts around our first-tier suppliers in order to manage the risks that are closest to our business. This has been an important first step in our work to develop and expand our efforts. For tiers beyond our first tier, we stipulate expectations in

our Supplier Code of Conduct that our first-tier suppliers set the same or comparable standards for their sub-suppliers. As a natural next step, we will look further into implementing due diligence controls in relation to our sub-suppliers.

So far, close to 1,000 suppliers have accepted Danske Bank's invitation to conduct the self-assessment, and this figure covers the majority of suppliers in the total spend of the Procurement & Premises department of Danske Bank.



Tendering

In the tendering process, the ESG self-assessment is initiated as part of the tender submission package, and we use the result as part of a tender evaluation.

If an assessment results in a high-risk score, the supplier's chances of being awarded the contract become lower because the ESG assessment result is part of the evaluation matrix. However, in some cases where the supplier is only partially compliant, the supplier may still be awarded the contract once the non-compliant issues have been addressed and we have reached a mutual agreement on a specific improvement plan covered in the contract.



Using engagement as a driver for change

In cases where a supplier's ESG risk assessment shows a high-risk profile, we engage with the supplier and require that tangible improvement plans are effectuated. We value constructive dialogue as part of a continuous engagement with the suppliers and use this approach as driver for change.

By requiring the ESG self-assessment to be carried out and by engaging with our suppliers to address issues that have been raised, we actively mitigate the risk of adverse impacts on human rights.

If we gain knowledge of actual adverse impacts, our dedicated sustainability team in Procurement & Premises escalates the case and engages directly

with the supplier on a regular basis. An improvement plan is required that must address the impact posed and actively prevent the impact from occurring again.



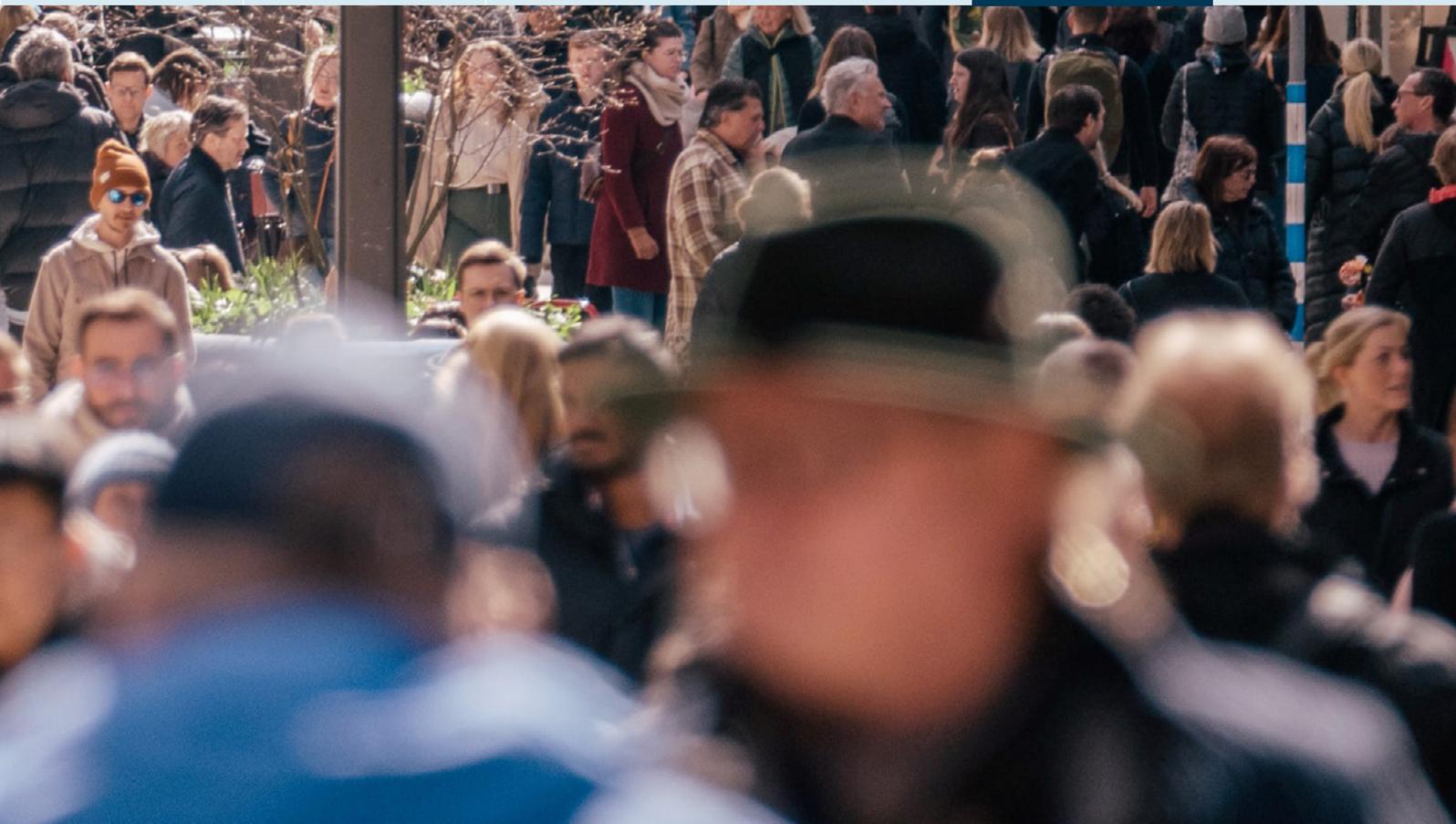
ESG waiver process

If an assessment reveals non-compliance in either the ESG self-assessment result or lack of cooperation in regard to both the assessment and the Supplier Code of Conduct, we enter into dialogue with the supplier in order to reach a mutual agreement. If the supplier declines to cooperate, the case is escalated to the highest responsibility level within the contract owner line. An improvement plan or risk acceptance will always be required in cases where an initially non-compliant supplier is accepted.



Supplier audit

In our Supplier Code of Conduct, we reserve the right to audit our suppliers on their compliance with the code. At the end of 2022, we handpicked a high-risk Norwegian supplier for a physical audit. Due to the size and turnover, the supplier is in scope of the Norwegian Transparency Act: however, the audit revealed that the supplier showed non-compliance with the duty to inform imposed by the Norwegian Transparency Act. Furthermore, the supplier did not have any due diligence process in place to manage its ESG risks in its supply chains. As a result of the audit, we created an improvement plan in collaboration with the supplier and included a requirement of noticeable improvement for no later than six months after the audit was performed.



Providing Services

When we provide services to our customers, we must take into consideration the fact that structural and societal imbalances might affect our advisory services and our product development.

Addressing discrimination in our customer service

Our Treating Customers Fairly Policy addresses the importance of ensuring non-discriminatory practices in the way we treat our customers daily⁷. In addition, we make it easy for customers to express any dissatisfaction they may have relating to customer service through our Customer Complaints system, which acts as local operational level grievance mechanisms⁸.

We recognise that some customers are particularly vulnerable in the context of the services and products we provide and in relation to how we may interact with them. Danske Bank's internal Conduct Risk Policy and Conduct Risk Instruction set specific requirements for fair treatment and non-discrimination of vulnerable groups.

In Norway, Danske Bank has signed an industry standard promoting financial inclusion of non-digital personal custo-

mers (Bransjenorm finansiell inkludering). This industry standard specifically focuses on vulnerable groups.

Product development

When we create new products, we seek to ensure that vulnerable groups are taken into account at a structural level, and we also include sustainability para-

eters as part of our product development processes.

⁷ The objective of the Treating Customers Fairly Policy is to support the Group in adhering to applicable laws and regulations. Discrimination risks are captured by the objective of ensuring consumer and investor protection.

⁸ An operational-level grievance mechanism is defined as "a formalized means through which individuals or groups can raise concerns about the impact an enterprise has on them—including, but not exclusively, on their human rights—and can seek remedy", UN Guiding Principles on Business and Human Rights.



Addressing the gender founding gap

According to Danske Bank's Nordic Startup Jobs report from September 2022, there still is a huge gender founding gap. All-male teams are nine times more likely to be venture-capital backed than mixed teams – and ten times more likely to be venture-capital backed than all-female teams.

At Danske Bank, we want to help create equal access to investments and opportunities for all founders as we believe this is crucial for releasing the full potential of new businesses and ensuring that talent, innovation, job creation and economic growth are not lost. In 2021, we signed a diversity commitment charter initiated by Found Diverse, and we have set a target for the representation of female-founded start-ups in our various initiatives and offers.

Our ambition is to support to 10,000 start-ups and scale-ups with growth and impact tools, services and expertise by 2023.



Danske Bank as an employer

As an employer, Danske Bank has an inherent risk of compromising the rights of its employees. We expect all employees to participate in the promotion of an inclusive culture with respect for human rights. Our Code of Conduct Policy and Diversity and Inclusion Policy clearly stipulate these expectations. In addition to these, we have yearly eLearning training courses that focus on our core values and our commitment to promote diversity and inclusion in our workplace.

To guide our ways of working and shape the culture across Danske Bank, we in 2021 introduced a new foundational framework that sets out our Purpose and Culture Commitments.

Discrimination

Well-known structural and societal imbalances in the markets we operate in confirm that Danske Bank as an employer in those markets is at risk of having an adverse impact on the rights of its

employees to be free from workplace discrimination and harassment.

At Danske Bank, increasing awareness and stimulating dialogues about who we are, how we feel and what we need, are essential to creating an environment in which we are open to share and learn and discuss sensitive issues. To reinforce this, we conducted a discrimination and harassment survey in spring 2022, an in depth survey focusing specifically on discrimination and harassment.

This survey constitutes an operational-level grievance mechanism for employees, thereby fulfilling a key role in identifying the risks of adverse impacts on the rights to freedom from discrimination and harassment as well as identifying our actual adverse impacts.

More than 13,000 staff members participated in the survey, of whom 3.4% stated that they had experienced harassment at some time during the previous 12 months, either as non-sexual harassment, for example bullying (2,7%) or sexual harassment (0,7%). To ensure ongoing focus and progress on reducing and eliminating discrimination and harassment, the survey will be recurring. The survey results reveal that structural and societal imbalances are also present in our organisation. Namely that women and various minority groups are more exposed to discrimination and harassment than others.

The survey also showed that there is room for improvement when it comes to making our reporting tools more visible. Only 30% of incidents were reported to either immediate leader, other leaders, HR or through the Whistleblowing System. The fact that only 30% of incidents were reported is of course a situation that we find unsatisfactory. Making reporting tools more visible will improve the accessibility of the grievance mechanism and thereby improve the identification of any adverse impacts related to the right to freedom from discrimination that may exist.

Our discrimination and harassment survey was a detailed supplement to our Workplace Assessment and our Culture & Engagement Survey, which

also constitute operational-level grievance mechanisms helping us to identify risks of or actual adverse impacts on our employees' rights at work.

We also encourage our employees to use our Whistleblowing System to report on any misconduct by employees or managers regarding discrimination, bullying, and sexual harassment.

Gender pay gap

Knowing that structural and societal gender imbalances are part of the societies and countries in which we operate, we are at risk of reproducing the same inequities in gender representation, leading to unequal access to opportunity. In 2022, we saw an increase in the median gender pay gap from 19% in 2021 to 24% in 2022. This increase reflects how we have traditionally valued different types of work, which has led to a disproportionate number of men in higher-paid positions. We expect to see a steady improvement in the median gender pay gap over time as we continue breaking down the structural and cultural barriers. Diversity and Inclusion performance evaluation and salary review processes are areas that we are continuously focusing on.

Discrimination and unequal pay may also occur on the basis of other elements of the diversity each one of us brings such as ethnicity, nationality, sexual orientation, gender identity, religion, or disability. However, we are unable to collect data on these identifiers as we are not legally allowed to collect such sensitive personal information. Efforts to mitigate discrimination of any kind towards any minority or vulnerable persons are part of our comprehensive diversity and inclusion efforts, and we measure and monitor the effectiveness of these efforts through our employee surveys.

Collective bargaining

At Danske Bank, we aim to protect our employees' rights to freedom of association and collective bargaining. We have signed the Global Framework Agreement with UNI Global Union on fundamental labour rights within Danske Bank.

In the Nordic countries, the collective bargaining agreements are a corner-

Our Culture Commitments



Team up

We create value for our customers by being one bank



Be open

We seek potential and make transparency and inclusion a priority



Own it

We aim high and take ownership for better results





stone of the functioning of the labour markets, regulating salaries and terms of employment applicable to all employees subject to the agreements. In practice, the agreements apply to all Danske Bank employees, with a total of 75% of employees being covered by collective bargaining agreements. We report on collective bargaining in the Nordic countries in our Sustainability Fact Book.

We have identified a salient human rights risk related to freedom of association and collective bargaining for our employees in India. At our premises in Bangalore, there are around 1,800 employees of whom the vast majority work within the fields of IT and IT services for the Group. There are no unions for the information technology and

services industry in India because this is not mandated by the Indian government. This means that Danske Bank employees in India are not covered by collective bargaining agreements. We have mitigated the risk of this lack of coverage by establishing clear and predictable compensation and salary packages and processes. Our Compensation and Benefits Policy defines fixed pay rates, pensions and terms and conditions for variable pay.

We have also implemented clearly defined processes for resolution in the event of any disputes in this matter, and we encourage all our employees to submit a complaint to or raise a concern with their manager and their local HR team about unfair or unequal working conditions.

Danske Bank has a Grievance Addressal Committee, which consists of employees, senior leaders and HR. We also have a Prevention of Sexual Harassment Committee, which handles matters of sexual harassment. To address the gender skewedness of the victims, we have ensured that our Prevention of Sexual Harassment Committee consists of 50% women.

Furthermore, Danske Bank's employee surveys, including our discrimination and harassment survey, are global and therefore also act as grievance mechanisms for our employees in Bangalore.

⁹ In Danske Bank A/S 86 % of employees are covered by collective bargaining agreements.



Managing our risks

Our Executive Leadership Team is committed to building and fostering a culture of inclusion. The findings from the discrimination and harassment survey have led to specific and tangible efforts to mitigate the risks. In 2022, we:

- reiterated the expectations we have of leaders when it comes to being aware of their own role, their biases and how to address micro aggressions, discrimination and harassment;
- developed a new team dialogue tool to support leaders in facilitating team sessions about these topics;
- included a module on anti-discrimination and harassment in our sustainability eLearning course; and
- raised employee awareness about how they can report incidents in a safe and confidential manner.

These initiatives complement already-existing initiatives launched over the past years to create a more inclusive workplace, including diversity and inclusion training for employees and leaders, a diversity focus on recruitment and improvement of conditions for LGBTQ+ employees and customers.



Global Transgender Instruction

At Danske Bank, we want to ensure that all colleagues are treated with dignity and respect and are valued for who they are and what they bring to the workplace. We will not discriminate against people on the grounds of their gender, gender identity, gender expression and/or sex characteristics.

Our Global Transgender Instruction details and complements our Diversity and Inclusion Policy, which commits to ensuring a diverse and inclusive culture within Danske Bank. The instruction deals specifically with supporting trans colleagues and those transitioning in the workplace, including colleagues who are non-binary.

The instruction specifically includes principles and guidelines for managers and colleagues covering issues such as confidentiality, communication, physical facilities and awareness training. A specific guide for managers covers issues that they should be aware of and provides guidance on how to be supportive if an employee is going through a transition.





Looking ahead

Our efforts to identify, prevent and mitigate human rights risks and impacts in our own operations and through our business relationships are continuously under development. We regularly evaluate the effectiveness of our Environmental, Social and Governance (ESG) risks and impact identification, and we will continue to do so as we strive towards continuous improvement.

In 2023, we will conduct a gap assessment of our human rights due diligence framework against the UN Guiding Principles on Business and Human Rights and the OECD Guidelines on

Multinational Enterprises. Based on the findings, we will adopt a human rights roadmap.

We will investigate whether and how we need to adjust existing procedures and guidelines to ensure a higher level of implementation of human rights due diligence throughout Danske Bank. This includes looking into the need for establishing specific guidelines and procedures for not only identifying and mitigating risks of adverse human rights impacts but also for handling actual adverse impacts.

We will assess which measures are needed to adequately include a human rights perspective in our grievance and remediation setup. This will also serve to qualify the identified salient human rights issues and it will provide us with more insight on actual adverse impacts. Our ambitions are high, and looking ahead, we will focus our efforts to improve our ability to carry out human rights due diligence and increase the level of transparency of our efforts.

Human rights governance
and executive oversight

Grievance mechanisms
and remediation

Review of our
human rights capacity

Human rights risks

Identifying and managing
our human rights risks

Looking ahead

