

Environmental Screening of Suppliers and Products

Purpose:

On the basis of its environmental policy, Danske Bank has compiled a number of absolute and recommended environmental requirements in relation to its suppliers and product purchasing.

The purpose of the business procedures for environmental screening of suppliers and products is to ensure and document that these requirements are observed.

Geographic delimitation:

The business procedures apply to Danske Bank Group activities in Denmark, Norway, Sweden, Finland, Ireland and Northern Ireland as well as purchasing done by the Danish purchasing function for the Baltic units.

The environmental requirements and screening are divided up into requirements and screening regarding the suppliers' environmental conditions and the products' environmental profiles.

Requirements for suppliers' environmental conditions

In its general business conditions, the Danske Bank Group requires that all suppliers observe prevailing legislation, including environmental legislation.

The Danske Bank Group's goal is that the Group's suppliers, in time, will become capable of meeting the following requirements:

1. The suppliers have a certified environmental management system (EMS) in accordance with ISO 14001 or EMAS or an EMS that, as a minimum, includes the following elements:
 - A written environmental policy
 - Follow-up on observance of prevailing environmental legislation
 - Identification and ongoing monitoring of the company's most significant environmental impacts
 - Actions to improve the company's environmental impacts
 - Internal audit
2. To the extent that a supplier has its products produced by sub-contractors, the supplier is responsible for checking that its sub-contractors meet Danske Bank's environmental requirements.

Regardless of their deliveries, all suppliers must be informed of this goal when contracts are signed.

All suppliers in Group Procurement and Procurement Service and suppliers delivering IT equipments are screened for the fulfilment of these requirements before a contract is signed, and if they are able to fulfil the requirements, it will have a positive effect. Environmental performance is thus part of the evaluation of the supplier and is weighted in relation to price, quality and other relevant criteria.

All suppliers within specific product groups and service areas, beginning in 2010, must fulfil at least requirement 1 above.

Suppliers with fewer than 10 employees or purchases of under DKK 20,000 a year may be exempted from these requirements by a written explanation. The Group must nevertheless undertake a dialogue with these suppliers about the possibility that they work towards fulfilling the requirements of a minimal EMS.

Requirements for selected products

For selected product groups, there are additional environmental requirements that the suppliers must fulfil. For the specific environmental requirements, see the specific business procedures for each product category.

At present, business procedures for environmental product requirements have been prepared for the following product areas:

- Construction consultancy: carpets, ceilings and lighting
- Graphics purchasing: paper and printed matter
- Hardware: IT equipment, printers, copy machines and fax machines
- Equipment
- Office supplies
- Merchandise
- Paint
- Cleaning products
- Replacement of energy installations
- Maintenance of energy installations

All suppliers within these product groups and service areas must be screened for their participation in an agreement on the fulfilment of the absolute and recommended requirements. The absolute requirements must be fulfilled. If suppliers fulfil the recommended requirements or undertake other positive environmental measures, this will have a positive effect on the evaluation of the suppliers. That is, fulfilment of the recommended requirements will be a selection parameter just as quality, price and other factors.

Environmental screening process:

The environmental screening is conducted by the relevant purchasers.

The environmental screening is performed on the basis of either publicly available information or a questionnaire sent to the supplier. The general questionnaire for the environmental screening of suppliers can be seen in appendix 1. In addition to these questions, supplementary questions may be made for the individual product areas. If the screening is based on publicly available information, it must include the same general questions as stated in the questionnaire.

The questionnaire from the supplier and other material must be stored by the persons responsible for purchasing as documentation of the environmental screening.

Upon the purchase of products, the supplier must sign a statement that the specific environmental requirements for the products have been fulfilled. This signed statement must be stored by the person responsible for purchasing as documentation that the environmental requirements for the products have been fulfilled.

As documentation that the supplier has an EMS, the supplier must send its certificate, environmental policy, audit report and other relevant materials. The documentation is stored by the purchaser responsible.

Appendix 1:
Company name: _____
Address: _____
Person responsible for answering questionnaire: _____
<u>Questions about environmental management</u>
1) Does your company have an environmental management system certified according to ISO 14001 or EMAS?
<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please enclose a copy of your certificate.
If your company is not certified, please answer question 1.a:
1.a) Has your company implemented an environmental management system, which, as a minimum, includes the following elements:
<ul style="list-style-type: none">• A written environmental policy• Follow-up on observance of prevailing environmental legislation• Identification and ongoing monitoring of the company's most significant environmental impacts• Actions to improve the company's environmental impacts• Internal audit
<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Questions about sub-contractors</u>
2) Does your company place demands on its suppliers' environmental conditions?
<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please enclose a copy of your environmental requirements for suppliers
3) Does your company check your suppliers' environmental conditions?
<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please state how:
<input type="checkbox"/> Questionnaires to suppliers
<input type="checkbox"/> Supplier visits
<input type="checkbox"/> Request for documentation of environmental management
<input type="checkbox"/> Other: _____
